

هنا صالون

# to Evolve

berg carries out the threat. "There is, to be sure, an element of truth in this critique, and Schoenberg has never been forgiven. Paradoxically, he revered the tradition and the stylistic unity it made possible. Despite his defensiveness about his work, he never intended to tear down the entire tonal system. He moved to the United States in 1933 and eventually settled in Los Angeles, where he briefly became a friend and tennis partner of George Gershwin, whom he respected immensely. There was nothing paralyzing about this respect. Schoenberg simply felt that the serious music of high culture operated on a different plane from other music, and radical currents had been sweeping through serious music for some time.

He felt compelled, almost against his will, to dismantle existing procedures and devise new ones. It was a dirty job, in other words, but somebody had to do it. What, exactly, needed to be done? Before the century was a decade old, the system of tonality was in crisis, and whatever one ultimately thinks of Schoenberg's solutions, his analysis of the problem was astute, convincing and courageous. Although tonal music is ubiquitous, the concept of tonality is hard to describe. In its most common manifestation, music is a system of organizing pitch in accordance with acoustical principles. A certain pitch (say, the C of the C major scale) is fundamental. The other pitches of the scale relate to that fundamental in an audible hierarchy of importance. Whatever happens, the music has to keep referring back to that fundamental.

Some opera fans will pass the poster for "Moses und Aaron" outside the Met, curse Schoenberg's name and go inside to buy tickets for "Aida." They will miss the work of a composer placing everything on the line, may be crossing that line but not caring, so powerful was his compulsion to create this opera.

ing yourself up." Came told the Times of London in an interview. Moshe said that "I stopped when I met my wife," he said. "Romance took over the show, of course, women do not like to be deceived."

## Flees Australian Stage

and stock-walker Marilyn Manson stormed the stage with a gun and a crowd of fans and members of ambulance crews said the injured at Sunday's gig. The musician, who was treated for a cut on his forehead, was taken to a hospital. Most of the injured fans were taken to a hospital, but some were more seriously hurt when Manson fired the gun.



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# Herald Tribune

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## Going It Alone, U.S. Upsets France

### So Paris Begins a Campaign to Strengthen Multilateral Institutions

By John Vinocur  
International Herald Tribune

PARIS — France is undertaking an active campaign to strengthen multilateral institutions as part of an effort to define the United States' potential for unilateral action as one of the world's great worries. It is, in effect, an attempt to limit American power and to convince other countries that they should work together to contain it.

The French initiative has come into focus over the last three months through statements by President Jacques Chirac, Prime Minister Lionel Jospin and Foreign Minister Hubert Vedrine. One of the other has asserted that a new American unilateralism has come to life, that it is unacceptable and that France will offer the General Assembly of the United Nations a set of principles for building a new international order "excluding unilateral temptations and leading to shared management of global risks and threats."

In the context of a decades-long register of French criticism of the American exercise of power, and the almost institutionalized quality of needling between centuries-old allies, the new initiative is different in two main respects.

It casts the United States as a primary international problem, a hegemonic force blocking power-sharing in the new century. And it proposes reforming, restructuring or reinforcing a number of international institutions, among them the UN Security Council or the International Monetary Fund, as a means of containing or counteracting American power.



VENEZUELA'S NEW CHIEF — Hugo Chavez, the new president of Venezuela, saluting the crowd Tuesday as he entered the National Congress to be sworn in. Dubbed "Hurricane Hugo," he has promised a revolution to clean up the country's chronic corruption. Page 3.

## Terrorists Set to Strike U.S. Targets 'Any Time'

### Bin Laden Seeking 'Vulnerable' Spots, CIA Director Warns

By Brian Knowlton  
International Herald Tribune

WASHINGTON — The CIA director warned Tuesday that terrorist attacks on U.S. targets could be launched "at any time" by forces loyal to Osama bin Laden, the exiled Saudi millionaire blamed for the bombings last year of two U.S. embassies in Africa.

George Tenet, director of central intelligence, told the Senate Armed Services Committee that "there is not the slightest doubt that Osama bin Laden, his worldwide allies and his sympathizers are planning further attacks against us."

Mr. Tenet also expressed serious concern about stability in North Korea. "I can hardly overstate my concern," he said. "In nearly all respects the situation there has become more volatile."

Mr. bin Laden's "overarching aim," Mr. Tenet said, is to force a U.S. military withdrawal from the Gulf, where thousands of U.S. soldiers and sailors have been based since Iraqi forces invaded Kuwait in 1990 and were expelled the next year in the Gulf War. He added, however, that "he will strike anywhere in the world he thinks we are vulnerable."

Attacks using conventional explosives were most likely, Mr. Tenet said, but kidnappings and assassinations were possible. He added that U.S. officials were concerned that Mr. bin Laden or other terrorist groups might obtain and use chemical or biological weapons.

Last month, Richard Clarke, the government's senior counterterrorism official, said there was no evidence that Mr. bin Laden had yet acquired such arms. But Mr. Tenet said Mr. bin Laden's group was "just one of a dozen terrorist groups that have expressed an interest in or have sought chemical, biological, radiological or nuclear weapons."

On Aug. 7, powerful conventional bombs leveled the U.S. embassies in Kenya and Tanzania, claiming the lives of about 250 Africans and Americans. The United States, saying it had evidence linking the attacks to Mr. bin Laden, fired Tomahawk cruise missiles later that month at his base in southern Afghanistan. Since then, U.S. efforts to counter terrorism and protect U.S. facilities at home and abroad have been dramatically heightened. President Bill Clinton has proposed a \$10 billion package of measures to protect the country from terrorist attack. (Page 2)

Recently, Mr. Tenet said, U.S. intelligence sources observed "activity similar to what occurred prior to the African embassy bombings." He did not say where.

"I must tell you we are concerned that one or more of bin Laden's attacks could occur at any time," he said.

Mr. Tenet also made these points:

- Signs of social decay have increased in North Korea. "Crime and indiscipline are commonplace, even in the military and security services," he said. With North Koreans more likely than before to blame the nation's leader, Kim Jong Il, for their problems, Pyongyang is likely to rely on "risky brinkmanship" in its dealings with Washington.
- Iran is "more likely to face serious unrest in 1999 than at any time since the revolution 20 years ago." Moderates represented by President Mohammed Khatami, he said, "are on the defense to a greater degree than ever before."

## Message to Shaky World Economies: You'd Better Get Used to It

By Jonathan Gage  
International Herald Tribune

DAVOS, Switzerland — As a jazz orchestra played and lights twinkled across an immense indoor swimming pool, the party-goers looked out over a sea of loaded buffet tables and surveyed the feast: Should they choose the smoked salmon, the foie gras or the shrimp royale? Or maybe all three?

Such were the harrowing choices last weekend at Davos as the mandarins of the world's financial establishment took a break from the tough work of patching up the global economy.

As they partied, the 2,000 policymakers, political leaders and chiefs of multinational businesses practiced what they have been preaching: refueling the global economy with a burst of consumption in hopes of powering a demand-driven economic recovery. But back in the real world that message has failed to take root, they acknowledged.

And so there was not a whole lot to celebrate at this year's gathering of the World Economic Forum, 19 months after the onset of Asia's financial crisis and as intermittent tremors still shake economies around the world.

Indeed, the real message to emerge at Davos over the past week was: Get used to it. Financial turmoil and trouble is here for the long term and something the world must learn to live with.

One thing is clear, said the U.S. Treasury secretary, Robert Rubin. There are no "easy answers and no magic wands," he said, for overhauling financial institutions to make the world safe for global capitalism.

This is because no one really knows what to do.

Ted Hall, a director of consultants McKinsey & Co., said that first and foremost, "we have a crisis of thinking and facts, and we are trapped by them."

While markets become truly transnational and nearly instantaneous, he said, "there is no evidence of anyone trying to treat the problems as anything other than a national problem."

For the moment, many participants said, the best hope is to learn enough about the new world of global markets and technology to ride out the inevitable cycles of crises.

"All participants know globally it is here to stay," said Senator John Kerry of Massachusetts, reporting back from private talks here among dozens of government leaders and other officials.

## You Can Strike It Rich — but Happy?

### Small Investors Are Trading On-Line and Driving Market

### Dark Side of American Dream: Money Can't Buy Well-Being

By Tim Smart  
Washington Post Service

WASHINGTON — Cathy Wilkinson and Vinnie Cunningham are two of the reasons the American economy is on fire.

Both are avid investors in the stock market — Mrs. Wilkinson a novice, Mr. Cunningham a veteran — but each shows the way Wall Street has evolved in the past couple of decades from a province of the wealthy to a marketplace for the masses.

Their experiences and behavior show how far the market permeates daily life for many people, so much so that chatting about stocks now has replaced talk about real estate as the topic du jour of the middle class.

Just ask Mrs. Wilkinson, a 45-year-old mother of four in Dewey, Arizona, who listens to the morning market commentary on National Public Radio while driving her children to school in her 1999 Volkswagen Beetle.

The children regularly check their mother's portfolio by personal computer and offer tips, recently urging her to buy shares in Walt Disney Co.

"I have a pretty specific goal in this E\*Trade account," she said, referring to the on-line brokerage that she uses to buy and sell stocks. "Any money made is to go to their private-school tuition. That was my lofty goal when I set it up."

Mr. Cunningham, on the other hand, is a Virginia mail carrier who does not even own a personal computer. But he does watch "The Nightly Business Report" on public television each evening.

Mr. Cunningham, 58, has been investing steadily in the market



UPHEAVAL IN BRAZIL — A trader reacting to falling stocks Tuesday in Sao Paulo after the head of the central bank was replaced, just a week after he had been confirmed in the job. The new bank chief is a former fund manager for the financier George Soros. Page 11.

The Dollar			
New York	Tuesday @ 4 P.M.	previous close	
Euro	1.1341	1.13	
Pound	1.6388	1.6412	
Yen	112.145	115.05	
DM	1.7228	1.7303	
FF	5.7847	5.8032	
Dollars per pound and per euro			
The Dow			
Tuesday close	percent change		
-71.58	9.274.12	-0.77%	
S&P 500			
Tuesday close	percent change		
-11.02	1,261.88	-0.87%	
Nasdaq			
Tuesday close	percent change		
-46.86	2,463.43	-1.86%	

Newstand Prices			
Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroun	1.600 CFA	Qatar	10.00 QR
Egypt	5.50 FF	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	3.000 Lire	Spain	250 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Dn
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$1.20

## Hong Kong Flocks to Mall of the Fake

By Mark Landler  
New York Times Service

SHENZHEN, China — Priced at \$58, the Rolex watch in the store window here seemed like a pretty good deal.

It was a fake, to be sure. But as the eager shopkeeper pointed out, "The Rolex brand is a mark of quality. And a genuine Rolex would set you back at least \$2,800 in a jewelry shop across the border in Hong Kong."

"Name your price," the young woman implored, when the shopper's gaze drifted to a rack of handbags next door. "Please," she said in a plaintive tone as phony as her merchandise. "I haven't had any business today."

Every day, an estimated 90,000 people travel by train or bus from Hong Kong across the border to Shenzhen, a raucous boomtown of thriving skyscrapers and bottom-feeding nightclubs. Many head straight for Lo Wu Commercial City, a giant shopping mall devoted to imitation luxury goods.

On a recent Sunday, crowds surged through the maze of corridors, mobbing hundreds of tiny stores selling fake Gucci shoes, Fendi clothing, Prada bags and Chanel wallets. While women rummaged through piles of merchandise, their husbands loitered outside, knee-deep in shopping bags. As shoppers elbowed one another aside for coveted items, scuffles broke out.

With five floors and 500,000 square feet of retail space, Lo Wu may be the world capital of counterfeit goods. It is also just 45 minutes away from the gilded boutiques of Hong Kong.

"We're obviously very concerned — we're also very disillusioned," said Kevin Ching, executive director of Dickson Concepts, a retail company that distributes Polo, Rolex and other upscale brands in Hong Kong.

Lo Wu was built in 1994 to capitalize on the closer ties between China and Hong Kong as the 1997 handover of the British colony to China approached. But it has become a rage among Hong Kong

## Hussein Gets Bone Marrow Transplant

AMMAN, Jordan (Reuters) — King Hussein, being treated in the United States after a cancer relapse, completed a bone marrow transplant on Tuesday, said Marwan Muasher, the Jordanian ambassador to Washington.

Mr. Muasher, speaking from the Mayo Clinic, where the king returned for urgent treatment last week, said the 63-year-old monarch was "holding up very well" but would be closely monitored for the next two weeks.

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## Tony Blair, Statesman — or Showman? A Few Critics Dare to Boo

By Warren Hoge  
New York Times Service

LONDON — He is youthful, articulate and visionary, leader of a nation in dramatic transition, with a compassionate vision and a ruthless dedication to seeing it through. His name is Tony Blair.

He is all style and fluff, a spiffy promoter with a preachy speaking manner and a trendy tendency to put the possessive "people's" before the mention of any British institution and the verb "modernize" in any sentence about his goals for the country. His name is also Tony Blair.

Twenty months after he led Britain's "new" Labour Party to power, it is the first image of Britain by yielding much of London's authority over them, liberate British business from restrictions that discourage enterprise and punish risk-taking, reduce the poor's dependency on the state, and end Britain's estrangement from the Continent and make it a leader in Europe.

Still, the Blair government's emphasis on presentation, or "spin," has left it vulnerable to criticism that all this may represent slick talk of accomplishment, not solid accomplishment itself.

"A gravity-defying victory of style over substance," is the verdict of one critic. Boris Johnson, columnist for the conservative Daily Telegraph, Mr. Blair's government, said Michael Gove, a columnist for The Times of London, "is about entrenching a clique's hold on power, not advancing policies for the nation."

The end-of-year list of achievements put out in December by No. 10 Downing Street included the











## ASIA/PACIFIC

## U.S. Sees India on a Path to Fewer Sanctions and Zero Tests

By Celia W. Dugger  
New York Times Service

NEW DELHI — American officials say that there is momentum now for a choreographed sequence of steps that will lead to a substantial easing of economic sanctions imposed on India after its nuclear tests in May, as well as to India's signing of the test ban treaty, probably by midyear.

The Indians were more cautious Monday in their assessment of the outcome of three days of negotiations that ended Sunday, the eighth round of talks since the tests. But both Indian and American diplomats were optimistic about resolving their differences.

Officials from both countries said they also hoped more broadly for an improvement in the prickly, mistrustful relations between the United States and India. An Indian official described the tone of conversations between Deputy Secretary of State Strobe Talbott and

External Affairs Minister Jaswant Singh as "verging on bonhomie."

The United States took a step in this diplomatic tango Monday by inviting ambassadors from the major industrialized democracies and Russia to a luncheon in New Delhi, where American officials broached the resumption of World Bank lending to India for road, power and other development projects. Sanctions have thus far cost India about \$1.2 billion in World Bank loans, bank officials say.

An Indian official said a decision to allow World Bank lending to resume would be "a small step toward the creation of a positive atmosphere." An American official said there was no explicit agreement that if the United States takes certain specific actions on sanctions, India will sign the test ban treaty. "That's too mechanical a spin," he said.

While both the Indians and Americans insisted that they have done nothing

so crude as horse-trading during eight rounds of talks in eight months, it is clear that each side has certain conditions that must be met before relations improve. India's decision to conduct the underground nuclear tests, which Pakistan immediately followed with its own nuclear tests, brought the relationship to one of its lowest points ever.

The Indian government, run by a seemingly ever-shaking coalition led by the Hindu nationalist Bharatiya Janata Party, needs something concrete it can claim to have gained for signing the Comprehensive Test Ban Treaty by the September deadline for ratification set by a United Nations conference more than two years ago, party leaders have said. The government cannot be seen as giving in to American pressure without opening itself up to attack from the opposition Congress (I) Party.

The government badly needs some victories. The Hindu nationalists were routed in state elections in November, in

large part because of the rising prices of vegetables, and they have been under attack from some of their allies in recent days for raising the prices of subsidized rice, wheat, sugar and cooking oil to lower the budget deficit. The government backed down Tuesday on some of the price increases.

In a joint statement issued Sunday, India and the United States said they would "endeavor to create a positive atmosphere for advancing their relations." Indian officials say they will work to build a consensus for signing the test ban treaty when Parliament reconvenes this month.

On Monday, Mr. Talbott visited the Congress Party president, Sonia Gandhi, and has given interviews to Indian journalists in which he stressed his respect for India as a great secular democracy and spoke glowingly of the possibilities of a close relationship between India and the United States.

But Indian officials say the United

States has taken steps recently that have soured the atmosphere, for instance backing a resumption of World Bank lending to Pakistan but not to India.

## Pakistan Talks Yield Little

The United States and Pakistan agreed Tuesday to meet again but indicated that an eighth round of talks on nuclear nonproliferation had achieved no firm results, Agence France-Presse reported from Islamabad.

"The two sides considered further steps to advance the objectives of the dialogue," said a joint statement after talks between Mr. Talbott and Foreign Secretary Shamsah Ahmad.

It said that experts would meet in March-April to discuss "export controls and strategic restraints" and that the next round of the dialogue would be held before the end of June at a date and venue to be decided. Washington is eager for Pakistan to sign the Comprehensive Test Ban Treaty.

## BRIEFLY

## India Reverses Food-Price Rise

NEW DELHI — India's governing Bharatiya Janata Party bowed to pressure from disgruntled coalition partners Tuesday and reversed a rise in subsidized food grain prices for the poor.

Prime Minister Atal Behari Vajpayee's Hindu-nationalist party, which leads the coalition, also took flak in the meeting of coalition parties over its links with hard-line groups.

The prime minister has stated that insofar as the prices of food grains for those below the poverty line is concerned, it will be withdrawn," said Defense Minister George Fernandes, the convener of the coalition's coordination committee. "The coalition has been racked by discord since it took office after an inconclusive election last March." (Reuters)

## Migrants Must Get Hong Kong Permit

HONG KONG — Hong Kong's top civil servant, Anson Chan, warned Chinese migrants Tuesday that they must get the necessary permit to enter the territory and that they would be deported to the mainland immediately if they did not.

The warning came after Hong Kong's highest court ruled Friday that children born before either of their parents became Hong Kong residents had the right to live here.

Mrs. Chan said the government would set up a task force to assess the impact of the landmark ruling, which effectively opens the territory's door to tens of thousands of people on the mainland. (Reuters)

## Burmese Is Freed

RANGOON — The Burmese military government said Tuesday that it had freed an 81-year-old political opponent it had sentenced to seven years in jail last year.

Ohn Myint, a member of the National League for Democracy, was freed and pardoned Jan. 20 "out of consideration for his age and respect for his family," the government said in a statement.

He was convicted last April of working with an underground organization and attempting to create misunderstanding between the government and ethnic groups. The league's founder is Daw Aung San Suu Kyi. (Reuters)

## Jakarta Goal for East Timor: Autonomy

In a surprise move, the Indonesian government said last week it was ready to pull out of East Timor if no better solution could be found for the former Portuguese colony it annexed in 1976. Indonesia's foreign minister, Ali Alatas, discussed the issue with Robert Kieran of the International Herald Tribune.

Q. You have always referred to East Timor as the "pebble in the Indonesian shoe." Are you now ready to remove that pebble once and for all and accept independence for East Timor?

A. There is some misinterpretation here. Indonesia does not intend to discard East Timor just like that. For the past several weeks, we have been talking at UN headquarters in New York with Portugal about the territory's future, under the auspices of Secretary-

## Q &amp; A / Ali Alatas, Foreign Minister

General Kofi Annan. East Timorese representatives, both here and abroad, are also being consulted.

What we have in mind is very wide-ranging autonomy for the territory, and right now we are trying to fill in the details to make this meaningful for all concerned. It involves security matters, the economy, political ramifications and cultural affairs. I'll be back in New York in a few weeks to take stock of negotiations.

Q. Is the Fretilin leader Xanana Gusmao, who is serving a 20-year sentence in Jakarta for sedition, also taking part?

A. Yes, Xanana Gusmao is part of the process. He will be released from Cip-

inang prison this week and moved to a private house.

Q. What would be the relationship between East Timor and Jakarta in the construction you have in mind?

A. Granting far-reaching autonomy to East Timor would be unprecedented in Indonesian history, but there are many examples in other countries. The self-rule status now being proposed for Kosovo is a case in point.

Q. Self-rule, wide-ranging or not, still falls short of total independence.

A. That's right, but it is the best solution. If we cannot agree on an autonomous status with the parties by April, the only alternative may be abandoning East Timor altogether. That doesn't mean we will pack up and go. We will hand the problem back to the people.

Q. What does that mean?

A. Well, by April, Indonesia will move into general elections for the Peoples' Consultative Assembly. East Timor will also elect its representatives, and if they opt for independence, so be it.

Q. Ramos Horta, East Timor's representative-at-large, and Xanana Gusmao have always insisted on a referendum so the people can decide their own future. Is that acceptable to Indonesia now?

A. No. A referendum is a recipe for civil conflict. Already now there is fighting between pro- and anti-independence factions, and we don't want to be stuck with this problem for another



Ali Alatas at a press briefing. Indonesia and Portugal are discussing East Timor's status at the UN.

couple of years.

Q. You have long argued that a poor ministration of 800,000 people is not viable. If you dump East Timor, wouldn't you just hand another basket case to the international community?

A. I don't want to go into that now. Anyway, Ramos Horta doesn't agree with that point of view. We are not dumping East Timor, and that's why we think wide-ranging autonomy is by far the most realistic, rational and viable formula for a peaceful solution.

## Singapore Jails Opposition Aide

Agence France-Presse

SINGAPORE — An opposition leader was sentenced to seven days in prison Tuesday after he refused to pay a fine for holding an illegal public rally.

Chee Soon Juan was fined 1,400 Singapore dollars (\$828). He said before the trial that he would not pay a fine and called after his sentencing for the governing party to relax its "iron-fisted" grip.

"In default of payment of the fine, seven days in prison," Judge See Kee Oon said before Mr. Chee was taken away by the police.

In a statement issued after his sentencing, Mr. Chee continued to insist on his innocence. He said that the Public Entertainment Act, under which he was charged, violates constitutional guarantees of free speech in Singapore, which has been governed by the People's Action Party for the last 40 years.

"Despite the ruling today in court my belief and conviction remain undiminished," he said. "My right to free speech guaranteed in the Singapore Constitution has been violated by an unconstitutional and undemocratic law put in place by the ruling regime to deny the opposition from effectively reaching out to the people."

Mr. Chee, 36, secretary-general of the tiny Singapore Democratic Party, pleaded out guilty to holding a rally without police permission in the financial district on Dec. 29 in defiance of the Public Entertainment Act.

## Indonesia Denies Arming Units

Reuters

JAKARTA — The commander of the Indonesian armed forces, General Wiranto, denied Tuesday that the military had armed pro-Jakarta loyalists in the territory of East Timor to fight pro-independence groups.

"We have not armed the people," General Wiranto said. "In fact, local organizations which helped the armed forces maintain peace in the past have been abolished and their weapons confiscated."

But he said local paramilitary units charged with helping the armed forces, the ABRI, maintain the peace had been

armed. Tensions in the former Portuguese colony grew after Jakarta said last week it may let the territory go.

Clashes between rival Timorese groups supporting Jakarta and seeking independence occur almost daily in the territory.

Several people died last week and at least 50 people have died in the past six months, aid workers and human rights groups say.

Hundreds of East Timorese protested in Dili on Tuesday against Indonesia's rule of their homeland and demanded independence. The protest was peaceful with no immediate reports of trouble.

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## EUROPE

## At Home and Abroad, the First 100 Days Have Been Trying for Schroeder

By William Drozdiak  
Washington Post Service

BERLIN — The first 100 days in power have not been kind to Gerhard Schröder.

The political honeymoon for Germany's new leader ended almost the moment he ousted Helmut Kohl from the chancellery's office. After displacing Europe's longest-serving statesman, Mr. Schröder quickly found himself attacked as a weak and vacillating ruler too prone to promise all things to all people.

He has struggled with difficulty to reconcile clashes over immigration, on-

clear energy and tax policy in his uneasy coalition of Social Democrats and Greens. Even in his own party, he is perceived as a pawn in the ambitions of Oskar Lafontaine, his finance minister and leader of the Social Democrats.

The internal discord has provoked anxiety at home and abroad that Europe's most pivotal nation is drifting and disoriented, just when it needs to demonstrate a clear sense of direction after assuming the rotating leadership of the European Union and the Group of 7 major industrial democracies.

The hostile treatment at the hands of

German media barons has left Mr. Schröder feeling bruised and embittered. Yet even his friends complain that he warrants some blame for failing to articulate a strategic vision that reflects his core values about where he wants to guide the country.

When asked to review his government's performance, Mr. Schröder insists that German media have been "brutal and somewhat dishonest" in their assessment of his brief tenure. But he consoles himself with polling results that show a strong majority of the nation's voters — as much as 75 percent in some surveys — supports his government and expresses satisfaction with its work.

"Look, it's impossible to achieve all of our goals in the first hundred days; you will have to look back on an entire legislative period after four years to make a fair judgment," Mr. Schröder observed in a conversation. "But the wave of criticism started within the first five days."

Of course, mistakes were made, but they were largely procedural flaws that we have tried to correct. We have tried to do too many things too quickly in trying to carry out our promises to the voters. But I have vowed to be more laid back, both in the pace of our work and our dealings with the press."

When he addressed a forum of world

business leaders in Davos, Switzerland on Monday, Mr. Schröder betrayed some of his frustrations by taking potshots at his predecessor, whom he referred to as "the fat man."

He bemoaned the economic plight he inherited from Mr. Kohl: a plague of joblessness caused by excessive labor costs, too much state regulation, onerous taxes, feeble innovation and an anemic service sector.

"For too long things were left to slide," Mr. Schröder lamented. "Over 16 years, people were accustomed to a particular government in Germany. The known and familiar can be rather soothing, but you can get so used to it that it

becomes soporific. And being half asleep in a world changing at breakneck speed is something we cannot afford."

While aspiring to serve as the model of a new generation of German leadership, Mr. Schröder and his foreign minister, Joschka Fischer, the Greens leader, have nonetheless stuck close to Mr. Kohl's script. They profess staunch support for the goal of political and economic unity in Europe, while pledging fealty to a strong partnership with the United States.

But in many important ways, Mr. Schröder's style and manner suggest that an uncomfortable era of adjustment now confronts Germany's neighbors and allies. Conscious of Germany's historical burdens from the Nazi past, Mr. Schröder has made it clear that he and his government will no longer be so compliant in seeing that legacy dictate policies.

Mr. Schröder sees the transfer of the seat of government from Bonn, a small Rhineland town near the Belgian-French border, to Berlin, a sprawling metropolis just 80 kilometers (50 miles) from the Polish border, as a unique break with the past.

He insists that the "Berlin Republic" will reaffirm the democratic foundations of modern Germany and fulfill a deep yearning by his generation to be treated like other Europeans — without guilt or shame for pursuing healthy national interests.

To the dismay of his partners, Mr. Schröder has given notice that Germany will no longer sign blank checks for the cause of European unity. He has demanded a big reduction in Germany's annual contribution to the European Union budget.

And he shocked France and Britain by saying that Germany should not have to pay compensation for breaking nuclear reprocessing contracts, a controversial decision now under review.

This quest for normality extends to breaking old taboos. Along with Britain and France, Germany has promised to send troops to Kosovo as part of an international peacekeeping contingent if Serbian authorities and ethnic Albanian rebels agree to a political settlement.

It is a step that seemed unthinkable just a few years ago when Germans vowed never again to send soldiers beyond their own borders.

■ An Appeal on Wage Dispute

Mr. Schröder urged employers and unions on Tuesday to find a "reasonable" resolution to a wage dispute that is threatening to undermine a key part of his government's plan to reduce unemployment, Reuters reported. The dispute could lead to a widespread strike.

## Compromise on Kosovo Will Be Imposed Quickly

Negotiators Plan to Show They 'Mean Business'

By Steven Erlanger  
New York Times Service

BELGRADE — The negotiators who will direct the talks this weekend between the Serbs and the Albanians over Kosovo believe that they will have to impose a quick compromise settlement on the parties, according to senior Western diplomats here.

The U.S. ambassador to Macedonia, Christopher Hill, and Wolfgang Petritsch, the Austrian ambassador to Belgrade and the European Union's special envoy for Kosovo, will run the talks together with a Russian diplomat, Boris Mayorski, under the chairmanship of the French and British foreign ministers, Hubert Vedrine and Robin Cook.

The idea is to preserve the remarkable unity on Kosovo thus far of the six-nation Contact Group on the former Yugoslavia, which includes Russia, Serbia's traditional ally. The Contact Group — United States, Britain, Germany, France and Italy, as well as Russia — is backed by the influence of the European Union, the UN Security Council and the military capacity of NATO, which is providing the iron fist that will hover over the elegance of the presidential chateau at Rambouillet, France, where the talks will take place.

The Kosovo Liberation Army announced Tuesday that it would attend the talks. "We are definitely going to the talks with our proposals, which we can discuss," said Japuk Krasniqi, the KLA spokesman in Kosovo.

The Serbian Parliament is in convene Thursday to discuss the ultimatum from the North Atlantic Treaty Organization and decide the government's response.

Mr. Hill and Mr. Petritsch have sketched out the first two days of the talks, in which the Serbs and the fractious ethnic Albanian delegations will meet in plenary session to state their positions. Afterward, however, as the hosts try to impose a news blackout on the participants, the negotiators will call on a variety of techniques, from direct talks to proximity talks.

But the negotiators think that both sides, after six months of shuttle diplomacy by Mr. Hill and Mr. Petritsch, have "quite a good idea by now of what the outcome is likely to be," an official said.

By going to Rambouillet, the antagonists "accept they have to negotiate, even if compromise is an elusive idea in the Balkans," the official said. But after a relatively short time, another official said, "a compromise accord is likely to be presented to the parties and basically imposed upon them, with credible threats directed toward both sides."

"You have to get across the message that you mean business and that there is international resolve behind you, and that there will be a price to be paid for a lack of seriousness," the official said.

The threat to the Serbs is clear: punitive airstrikes on targets in Serbia that will be costly for the Yugoslav president, Slobodan Milosevic, to replace.



Foreign Minister Igor Ivanov, left, of Russia and his German counterpart, Joschka Fischer, after their meeting Tuesday in Bonn. Mr. Krasniqi of the Kosovo Liberation Army saying that a delegation would attend the talks.

But the threat to the Kosovo Liberation Army, should it violate a cease-fire or refuse to compromise, can also be real, the officials said.

American and NATO officials are already working to reduce the flow of arms to the KLA from Albania and are using sophisticated surveillance techniques along the mountainous border. While no one thinks that border can be sealed, the officials have talked with the government of Albania about a more intensive international effort to scrutinize the Tirana airport and the Albanian ports of Vlorë and Durrës to prevent the smuggling of arms and money.

KLA bank accounts can be closed, the officials said, and their commu-

nications and logistics disrupted. The Albanians also have been told that the current international support and sympathy for them and self-rule could quickly disappear.

The negotiators understand that these talks are "a high-wire act," a senior official said. "But I feel confident because of the resolve of the international community — the United States, the European Union and especially the Russians. This is the single most important chance to come to an early compromise settlement, even if the conflict won't end in a day."

The principles for a settlement, backed by the Contact Group, are carefully drawn to try to allow both sides to

come away feeling that they have gained important successes, the officials said.

Under an internationally supervised and enforced three-year interim agreement, the ethnic Albanians will gain effective self-government under newly elected Kosovar authorities, with almost complete independence from the authority of Serbia.

The government of Yugoslavia, headed by Mr. Milosevic, will control foreign, defense, trade, monetary and fiscal policy — but not internal security or the police. Still, Kosovo will not become independent for the period of the agreement and will remain an integral part of Yugoslavia.

## U.S. and Allies Seek to Shape a Kosovo Peacekeeping Force

By Dana Priest  
Washington Post Service

WASHINGTON — U.S. and European officials have begun detailed discussions on the tasks, size and shape of a NATO peacekeeping mission to Kosovo, signaling an increasing likelihood that American troops are bound for the embattled Balkan region.

Secretary of State Madeleine Albright was on Capitol Hill on Monday to assess congressional support for sending American troops to Kosovo, and U.S. officials reiterated that President Bill Clinton had made no final decision on the issue. But in the meantime, officials involved in the discussions said U.S., British and NATO planners were already trading plans for enforcing a peace settlement — including participation by U.S. troops — if one is accepted by Serbia and Kosovo's ethnic Albanian rebels.

Pentagon officials have sought to

keep the U.S. role small, a few thousand troops at the most. But the main European plan calls for an American presence of at least 5,000 and possibly thousands more, according to officials with knowledge of the discussion.

Under "Option A-minus," a plan devised by the North Atlantic Treaty Organization in October and now reviewed, the on-the-ground commander of a 28,000-strong force in Kosovo would be from NATO's Allied Command Europe Rapid Reaction Corps. That group is commanded by Lieutenant General Sir Michael Jackson of Britain, according to a senior Western military official.

General Wesley Clark of the U.S. Army, the supreme commander of allied forces in Europe, would remain in ultimate control of the operation. But under current planning, the deployment nonetheless would mark the first time U.S. troops had worked for a non-American ground commander in such a potentially

hostile environment. Pentagon officials have said they would be willing to trade the command position in get their numbers low because they believe their troops have too many commitments overseas and that Congress may balk at a larger force.

Defense Secretary William Cohen said, "My personal view is that our European allies must bear a substantial burden in terms of dealing with Kosovo and that any participation by the United States should be as small as it could be."

The Rapid Reaction Corps, with about 1,300 personnel, is a headquarters unit that would be responsible for commanding and coordinating ground troops stationed in Kosovo, the province in southern Serbia whose population is 90 percent ethnic Albanian.

Britain has pledged 8,000 soldiers to the Kosovo mission, France as many as 6,000 and Germany about 3,000, according to European and U.S. sources. The Netherlands,

Russia and Nordic countries are expected to provide 1,000 each, and the prospective new NATO members Poland, Hungary and the Czech Republic have said they also will contribute, eager to show they can work as full-fledged NATO members.

Under "Option A-minus," Kosovo would be divided into four sectors, each with a brigade and one or two battalion-sized units of about 6,000 troops. British, French and U.S. troops would each control one sector, as would another country.

U.S. officials are telling planners they want to keep their force to about 2,000, a number that would allow the United States to provide key support activities such as intelligence, logistics and night helicopter operations.

But European officials and others, seeking a larger U.S. contribution, say a full U.S. presence would be a direct signal to President Slobodan Milosevic of Yugoslavia

about the willingness of the world's only superpower to see Kosovo pacified.

As a fallback, the Europeans are trying to put pressure on Mr. Clinton's administration to commit a larger number of troops for the initial and most problematic phase of the deployment.

The need for troops could also be affected by a decision on two competing views of the overall NATO mission.

One idea calls for some Serb military presence to remain in Kosovo while ethnic Albanian rebels were trained to become a local police force. NATO troops would supervise the withdrawal of most Serb troops and enforce restrictions on those who remained. The other view, which could entail a much smaller force, calls for all Serb forces to leave and for NATO troops to disarm the rebels. But this is regarded as less acceptable to Mr. Milosevic.

## BLAIR: A Few Critics Dare to Boo the Showman

Continued from Page 1

peace settlement in Northern Ireland; decisions to move regional power out of the Parliament in London to newly created legislatures in Edinburgh, Cardiff and Belfast; reforming the House of Lords; setting a minimum wage; starting a welfare-to-work program; granting independence to the Bank of England in setting interest rates, and establishing Britain as a more positive presence in Europe while maintaining strong ties to the United States.

With a 179-seat majority in Parliament, ineffective opposition from the Conservatives and only rumblings of discontent from dissidents in his party, Mr. Blair has remarkable freedom of action, and his presidential-style presence has become the most important factor in New Labour's performance.

As focus groups and opinion research become a growing force in Britain, political muscle is increasingly measured with the tape that shows the public popularity numbers. By this standard, Mr. Blair is an outstanding success: His approval ratings are persisting in mid-60s percentages, the highest ever for a British prime minister and 15 points higher than the ratings for his government. This is occurring in spite of cabinet scandals and disarray — including the resignation of his chief ally, Peter Mandelson — of the kind that contributed to the overwhelming rejection of his predecessor, John Major, in the 1997 election.

He has the support of 87 percent of the fractious Labour Party, and recent polls indicate that even the Tory rank and file prefer him to their own leader, William Hague. Although Mr. Blair heads the country that Europeans most love to loathe for its reluctance to join in their grand ventures, like monetary union, he often comes first even on the Continent in polls measuring the popularity of individual leaders.

He has gained favorable international notice for a theory about the divisions between the Third Way, it seems to maintain a following chiefly because he is the one peddling it.

At home, his government's purpose, Mr. Blair said in a recent policy speech, is to serve a "new, larger, more meritocratic middle class," which now displays "greater tolerance of difference, ambition to succeed, greater opportunities to earn a decent living."

He put the Labour Party through a force-fed reformation in the 1990s, aimed at shedding the socialist ideology, tax and spending habits and tribal in-fighting that had scared off middle-class voters in past elections and given the Tories their dominance of British politics.

Outwardly, Mr. Blair has a glad-handing appeal. He is a shirt-sleeves boss, trading jocular banter with his aides in his back office at No. 10 Downing Street. But he is said to be steady when it comes to internal discipline. During the push to transform the party, insiders called his methods "Stalinist."

"The odd thing about him is that no one thinks of him as Machiavellian," said Robert Harris, the novelist, who is a fan of the government. "I suppose that is what is so Machiavellian about him."

With an information-management policy keeping government spokesmen resolutely "on message," Mr. Blair holds to simple definitions and repeated slogans. One of his favorites is that he is not just running a government but heading up a "project."

Projects need more than five years to fulfill, he and his ministers stress, and it is an article of faith among the Blairites that this government must overcome the curse of Labour's nearly 100-year-old history of never having run Britain for two successive full five-year terms. The week after Labour's rout of the Tories on May 1, 1997, members of the new government were talking about the urgency of winning the next election.

The extent of the ambition of the political project is seen in Mr. Blair's efforts to find areas of cooperation with the Liberal Democrats, Britain's third party, and end century-old divisions on Britain's left between the Labour and Liberal traditions.

Labour's preoccupation with becoming consistently electable has led critics to fault the



Mr. Blair with Prime Minister Wim Kok of the Netherlands in Bristol, England, on Tuesday. They were discussing closer ties.

Blair government for being overly cautious and vague, more eager not to disaffect than to engage and lead. To a certain extent, New Labour's success can be measured by what has not happened as much as by what has.

This is the first unfrightening Labour administration, said Anthony King, professor of government at Essex University. Past Labour governments are notorious in Britons' memories for economic mismanagement, convulsive social clashes and raucous internal wrangling. A main reason for the Blair government's success so far, Mr. King said, is "its conspicuous failure" in doing the wrong thing.

Most of the criticisms directed at Mr. Blair have been accusations of lapses in style — that he is a "control freak," that he is surrounded by "cronies," that he is creating a "nanny state." His foreign secretary, Robin Cook, was portrayed recently as a womanizer and a heavy drinker in a vengeful book by the wife he left for a younger woman in 1997, and newspapers have also raised questions about the number of homosexuals in the government.

## Dutch Lawmakers Approve Measure Lifting Brothel Ban

Agence France-Press

THE HAGUE — Dutch deputies voted overwhelmingly Tuesday in favor of a bill to overturn an 87-year-old law outlawing brothels, thus paving the way for bordellos to be classified as legal businesses from next year.

In proposing the bill, the government hopes to flush out the criminal aspects often linked to prostitution, such as drugs, weapons and the smuggling of people, especially women.

The proposed law was launched last year by Winnie Sordrager of the leftist Labour Party when she was justice minister and taken over by her successor, Benk Korthals, of the liberal VVD party.

In the 150-seat second, or lower, chamber, only the opposition Christian-Democrat CDA party, with 28 deputies and the three small Christian parties, SGP, RPF and GPV, which together hold eight seats, voted against the bill.

The final tally of votes will be announced in two weeks. But the bill will become law only if the 75 members of the first, or upper, chamber approve the text. The first chamber has rejected similar proposals twice in the last 10 years.

If approved, the law would go into effect on Jan. 1, 2000.

The bill increases sentences in cases of forced prostitution and sex with minors from one year to six years of imprisonment.

Clients also will be open to prosecution when hiring the services of a minor. Under the current law only pimps can be charged.

## Russia Stays Its Death Penalty

MOSCOW — Russia moved a step closer to abolishing the death penalty Tuesday when its top court imposed a moratorium on capital punishment sentences pending the formation of new jury courts.

The Constitutional Court banned judges from issuing the death sentence and prohibited any further such sentences until a new code is drawn up that will make capital punishment the preserve of jury courts alone. Only nine of Russia's 89 regions currently operate trial by jury.

Interior Minister Sergei Stepashin said late last year that Russia had 800 convicts on death row, kept in a special camp near Volgograd in northwestern Russia, and the courts hand out about 150 death sentences each year. (AFP)

## France to Review Jews' Claims

PARIS — More than 50 years after World War II, France announced on Tuesday a new authority to allow Jews to claim compensation for assets that were seized during the Nazi occupation of the country and never returned. The decision to set up the body was made by a government committee that for two years has been drawing up the first full inventory ever established in France on the seizure of Jewish assets, art and businesses during the occupation.

The Matteoli committee, set up in January 1997 and named after its president, Jean Matteoli, handed in a second working report to Prime Minister Lionel Jospin listing proposals to turn a difficult page of French history. The report said two-thirds of assets seized from Jews in France had been legally claimed but that the restitution of the remainder may prove difficult because of the probable "total extermination of the relatives of those despoiled."

France has some 600,000 Jews, Europe's biggest Jewish community, and in 1995 President Jacques Chirac became the first French postwar head of state to recognize the responsibility of the French state in the wartime persecution of Jews. (AFP)

## Yeltsin Turns Up at the Kremlin

MOSCOW — President Boris Yeltsin, convalescing from a stomach ulcer at a country sanatorium, unexpectedly turned up at his Kremlin office Tuesday in an apparent effort to show that he was still in charge.

A Kremlin spokesman said that Mr. Yeltsin, who turned 68 Monday, met with his chief of staff, Nikolai Borduzhka, in the Kremlin but gave no further details.

Mr. Yeltsin, who had been hospitalized since Jan. 17, left for the Barvikha sanatorium just outside Moscow on Saturday for a rehabilitation period expected to last at least two weeks. (Reuters)

## Pinchet Lawyers Wrap Up Case

LONDON — Lawyers for the Chilean government concluded their case in Britain's highest court Tuesday, saying that General Augusto Pinochet should be freed and sent home even though Chile had not requested his return.

A formal extradition request is irrelevant because the former Chilean dictator "is not a fugitive," Lawrence Collins, a lawyer, told the House of Lords. "He plainly wants to go to Chile," Mr. Collins added.

The general, 83, was arrested Oct. 16 in London at the request of a Spanish magistrate seeking his extradition on charges of murder, torture and hostage-taking involving acts allegedly committed against Spanish citizens in Chile. The hearing, which entered its 11th day Tuesday, is expected to wrap up Wednesday, after which the Law Lords are expected to reserve judgment. (AP)



## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Mysterious Prosperity

The American economy grew at an astounding annual rate of 5.6 percent in the final quarter of 1998. It grew by nearly 4 percent during the year, the same as in 1997 and nearly twice the rate predicted by most economists. At the same time, inflation remained negligible. In economic terms, it doesn't get much better. In fact, in most of the world right now things are a lot worse.

Unfortunately, no one knows for sure why the U.S. economy has proved so resilient. Certainly, smart policy decisions have played a part. President Bill Clinton and Congress agreed early in his presidency to reduce the deficit. That seems to have had the intended effect of bolstering investor confidence, reducing interest rates and inflation and promoting private-sector growth. Deregulation and an open trading system have contributed. The Federal Reserve has contributed, too, with cautious but well-timed reductions in the interest rates it sets. On top of that, luck, especially in low prices for oil and other key economic ingredients, and a mixture of new technology, labor productivity and capital efficiency no doubt play a part.

But there are dangers. One is that Fed Chairman Alan Greenspan was correct, but premature, when he

warned that the United States could not remain an "oasis of prosperity" while so many other countries are suffering. Many Asian economies contracted last year. Japan remains in recession. China's condition is fragile, and Brazil is reeling. There are likely to be some limits on America's ability to act as importer of last resort while its export markets are ailing. Political pressures for protectionist policies will come.

It is also possible that Mr. Greenspan was right, but even more premature, when he warned of "irrational exuberance" in the stock market. To be fair, he also has found some rational basis for rising stock prices, including the dramatic fall in inflation expectations and associated risk premiums, and broad advances in a wide variety of technologies. "As he told Congress last month, but no one can rule out a sharp drop in stock prices, which could drag down the 'real' economy.

The salient point here is that no one can be sure. If the experts understood what was going on, after all, they would have predicted 4 percent growth a year ago. It is worth keeping this uncertainty in mind when you read projections of federal budget surpluses swelling year by year as far as the eye can see.

—THE WASHINGTON POST.

## AIDS and Chimpanzees

Scientists have believed for some time that HIV-1, the AIDS virus that has infected 30 million humans around the world, originated in a primate species somewhere in Africa. Now a team of researchers led by Dr. Beatrice Hahn from the University of Alabama has confirmed that the source of HIV-1 is almost certainly a subspecies of chimpanzee called Pan troglodytes troglodytes.

This Central African subspecies carries a simian version of HIV-1, which was probably transmitted to humans who butchered and ate chimpanzees or handled their meat. Chimpanzees carry the simian version, called SIVcpz, without falling ill. It may be possible to discover in their adaptation to this virus a means of blocking the further spread of HIV-1.

The story of this discovery has a corollary. Pan troglodytes troglodytes is still being hunted, and with a rapacity that will guarantee its extinction before long. Chimpanzee meat, gathered by commercial hunters, feeds loggers in Central Africa and even makes its way into urban restaurants. The issue is not just the danger of further cross-species trans-

mission of the retrovirus, tragic as that would be. It is the destruction of a vital genetic reservoir — the potential source of major innovations in AIDS research — before research can really get under way.

Before the significance of this new discovery can be assessed, it has to be studied among populations of free-living chimpanzees belonging to this subspecies. That will not be possible if they have been hunted to extinction.

There could be no clearer demonstration of the immediate human value of preserving biodiversity. The health of our species depends directly on the breadth of the global genetic pool to which we belong.

The cure for disease, as scientists have often demonstrated, can come from the same source as the disease itself. But, as always, recognizing the human value of biodiversity — the utility of these chimpanzees to us — carries with it a sense of profound sadness, an awareness of how hard it is to value biodiversity for itself. There is still a chance to save these animals, and with luck this new discovery will make their survival more likely.

—THE NEW YORK TIMES.

## Starr Is Out of Order

The most surprising aspect of the Senate impeachment trial is the persistent challenges to the senators' constitutional right to run it. First came the House managers' attempt to call a parade of unnecessary witnesses. Now we have an apparent effort from the office of Kenneth Starr, the independent counsel, to spark a debate over criminal prosecution of the president at a time when the Senate deserves a calm decision-making atmosphere and an open field for negotiation.

Mr. Starr is already regarded by his critics as an obsessive personality. Now he seems determined to write himself into the history books as a narcissistic legal crank.

Once the Senate started the second presidential impeachment trial in American history, that was his cue not only to shut up but to stop any activity by his office that would divert attention away from the Senate or reduce its bargaining power.

The issue of who leaked news of Mr. Starr's indictment research to The New York Times is a phony one. What is needed here is not an investigation of journalistic sources, but attention to the substance of his legal mischief. It seems designed to disrupt these solemn deliberations into presidential misconduct of a serious if undeniably sordid kind.

The news article highlighted an underlying problem. Mr. Starr keeps flapping around — with deliberations over indictments and by meddling in the House managers' contacts with Monica Lewinsky — in ways that complicate Senate work that is more important than he is. The Senate should rebuke him and also appeal to the federal judges who supervise him to restrain him from further dis-

turbance of the constitutional process.

This incident is more serious than Mr. Starr's customary blundering. The constitution clearly allows the indictment and prosecution of officials who have been impeached by the House and removed from office by the Senate. But whether such a trial should go forward in this case is a complex constitutional and civic question that needs to be shaped by the wisdom of the Senate rather than by Mr. Starr's personal inclinations and his idea of prosecutorial duty. If the three witnesses being deposed this week do not dramatically change the evidence, then the Senate is clearly the right place to make the final disposition of President Bill Clinton's case.

For Mr. Starr's office to be talking about a trial inhibits the Senate's freedom to draft a censure resolution that might include some kind of presidential admission. Indeed, virtually everyone in the capital except Mr. Starr seems to know that censure-plus-admission, speedily arrived at, would be a far better outcome for the country than a trial for either a sitting or a former president.

To be sure, if the charges were of greater criminal magnitude or threatened orderly government, such a trial could be fitting and constitutional once a president was removed. While removal is not appropriate in this case, the Senate is clearly the appropriate venue for condemning and finding a proportional punishment to offenses like those committed by Mr. Clinton. The Senate, which is always talking about its potential collective probity, needs to find a way to slap Mr. Starr back into line.

—THE NEW YORK TIMES.

## Left Behind as the Globalization Train Speeds Up

By Thomas L. Friedman

DAVOS, Switzerland — U.S. Deputy Treasury Secretary Lawrence Summers joked the other day that he had a new idea for solving the problem of Brazil's collapsing currency. He suggested that the Brazilians rename their currency "real.com."

Judging from U.S. stock markets, it would double in value every 90 days.

Mr. Summers' joke, though, actually captured the most interesting aspect of this year's Davos World Economic Forum.

Every year at Davos someone stands out as the trend-setter. This year the stars were invisible: One was Amazon.com and the others were the leaders from so many developing countries who used to come here regularly but this year didn't show. And therein lies a story.

Every panel discussion here on the Internet economy was sold out, and the panel where experts discussed whether the Internet stocks were "a bubble" about to burst was standing room only.

The Princeton University economist Alan Blinder kicked off that discussion by observing that there was probably some bubble quality to the Internet stock craze, or, as he put it: "I have a

general rule: Whenever something becomes worth more than the whole state of California, sell it."

Interestingly, though, the person who poured the coldest water on the Internet mania was Microsoft's chairman, Bill Gates, who said, "I find the valuations of high-tech stocks in general surprisingly high." He argued that the high-tech business today is so intense, and companies can be overtaken by competition from so many different directions, that making any assumptions about the future earnings of any high-tech company, particularly one on the Wild West Internet, is very risky.

But people are missing the most important point about the Internet stock boom, said Mr. Gates. Whether or not it is a bubble, it is attracting enormous amounts of new venture capital to every imaginable Internet-related company, and this influx of cash is going to drive "the pace of Internet innovation even faster."

For the global business leaders here, nothing could be more exciting. But for the other invisible party — the leaders of

developing countries — nothing could be more depressing than the thought that the world will be getting faster.

There was a time when the head of state of a developing country like Thailand or Mexico would not want to miss Davos and the chance to show off to the big multinationals. It was almost as if by simply coming here you were automatically part of the global economy.

But in the wake of the meltdowns in Mexico, Russia, Southeast Asia and Brazil in recent years, a new sobriety is taking hold in many of these emerging markets. Their leaders are coming to realize that the answers to their problems are not here. They are at home.

They are starting to realize that it makes no sense to come to Davos and show off your country if you do not have a financial, legal and regulatory structure able to handle the electronic herd of global investors. And the only way to get that structure is to build it yourself from the ground up.

"You cannot wait for Godot," remarked Noordin Sopiee, one of Malaysia's leading strategic thinkers. "We have to solve our problems at the national level. God help those who expect others to help them."

Emad el-Din Adeeb, editor of the Egyptian journal Al Alam Al Youm, concurred: "O.K.," he said to me, "I understand we need to get prepared for this globalization and that is partly our responsibility. There is a train that is leaving and we should have known this and done our homework. But now you should slow the train a bit and give us a chance to jump on."

And that is what is scary about this year's Davos: Just when the developing world is coming to really grasp that it has no choice but to get itself ready to climb aboard this train, Bill Gates is predicting that the train is going to get faster, not slower, as the developing world moves toward Internet-based commerce, communication and learning systems.

What is worse, no one can slow the train down, because the world economy today is just like that Internet: Everybody is connected but nobody is in charge. As the Deutsche Bank economist Ken Courvisier observed: "The developing world has decided to catch the train just as it's being derailed and turned into a virtual experience." That is not an easy train to catch.

The New York Times

## The Deregulation Orthodoxy Has Faded, but What Comes Next?

By William Pfaff

DAVOS, Switzerland —

The World Economic Forum provides a reliable annual guide to what is on the mind of the industrial world's political and corporate managers and its more prominent economic thinkers and publicists. Or perhaps it provides a guide to what they think they ought to be thinking about, which is interesting in itself.

Before 1998 the overall themes were triumphal, celebrating a benevolent economic dynamism which was being extended globally, incorporating the developing world and enriching the whole, reinforcing and consolidating all this with the passing years.

That went on until last year, when the thunderclouds that had been building up in the eastern sky broke into a storm which swept through developing Asia, and the skies still have not cleared — particularly those over Indonesia, where political crisis has followed economic collapse.

This year the Davos organ-

izers prepared to debate reform of the system, but little of substance has emerged. Assorted eminees preferred to debate "what will keep the world economic engine going," to quote one session's title.

Nonetheless, the talk that has taken place on the destructive effects of deregulation and free markets, possible new regulatory structures for the international economy, the history of financial bubbles, and the ethical responsibility of business has expressed a salutary change in the mood of "Davos Man."

The roots of the change are diverse. It is significant that despite President Bill Clinton's call for new trade liberalization and fast-track negotiating authority in his State of the Union message last month, no one in Washington expects such legislation. Globalized trade will be an issue in the presidential campaign of 2000.

American enthusiasm for

trade liberalization has passed its peak. Corporations have been the force behind it, but the public, like that in Western Europe, has been apprehensive about where it was taking the country. U.S. labor unions, critical of globalization, are more influential now than in 20 years.

The new Washington-based Overseas Development Council (whose chairman is the former head of GATT, Peter Sutherland, now of Goldman Sachs), has produced critical works on globalization and has a new study arguing for increased government influence over the internationalization of developing economies.

The author, Dani Rodrik of Harvard, argues that developing nations should not sign globalizing international agreements without participation and agreement by broad social groups within their countries, and says there should be solid evidence — not ideological incantations — to demonstrate

that accepting external economic disciplines will actually be good for a country. A couple of years ago Davos Man would have considered that reactionary. If not subversive.

An important change in the past year was that left-of-center governments came to power in Germany and Italy, joining socialist France and Britain. Except in Britain, these governments take a more critical view than before of social and institutional deregulation of society.

Europeans blocked the multilateral investment agreement being drafted last year at the OECD, which would have authorized corporations to sue governments for imposing environmental, cultural or national restrictions on foreign investment. The OECD's own Forum for the Future is raising questions about the existing system that would have been considered unorthodox a year or two ago.

The developing economic and fiscal policies of the 11

European Union common-currency countries promise in the next few years to provide a new economic and trade model. A challenge to the American economic model is taking form.

The crisis provoked by unregulated investment and speculative flows, the plight of Russia, victim of an unsuitable Western model for development, and the inadequacies of IMF remedies for both have decisively weakened the orthodoxy, but it is also a crucial development that the globalist model of the future simply is no longer as interesting as it was.

It was presented as a kind of panacea for the world economy. Now its limitations, and the destructive consequences it can have, are clear — and, anyway, the world has changed. This is what is seriously interesting today, and if most of the corporate leaders don't yet understand the change, the academic and political elites present in Davos do.

International Herald Tribune, Los Angeles Times Syndicate

## Cheese-Rich 'Euroland' Will Get a Treasury Secretary

By Roy Denman

LONDON — Charles de Gaulle wondered how you got out from a France with 346 types of cheese. Only leadership of a star-studded kind could perhaps achieve it.

The question poses itself for the euro. After its successful launch, it ranks with the dollar as one of the two leading world currencies. When there is thunder in the financial heavens it is important that there should be one voice speaking for the euro. Will the treasury secretary for Europe please stand up?

"Euroland" has even more cheeses than France. It also has 11 finance ministers.

The meeting of the European Council in Vienna in December recognized that "speaking with one voice" for the euro was important. But then it decided on a three-cornered representation. First would come the

finance minister of the country holding the EU presidency. If this country were outside Euroland, its finance minister could accompany the finance minister who was chairing Euroland. The European Central Bank would be allowed to be present as an observer, and the European Commission to assist.

This arrangement is about as likely to last as a shaky barn door in a rising gale.

The euro is only the latest step toward a unified Europe. Before it came the common external tariff. Imagine that in the heat of one of the world trade negotiations of the last 40 years the European team had suddenly donned tools at midnight. "Sorry folks, union rules, you know. Got to hand you over for the next few

months to Jean-Pierre or Luigi." Any chance of slowly developing the relation of trust and confidence essential to the success of any negotiation would have been destroyed.

So Europe has had to speak with one voice on trade. How it achieved this shows what might happen with the euro.

The Treaty of Rome provided that on trade the commission would negotiate for the Six. The real reason for this was that France then ruled the roost. Germany was still emerging from the shadow of Hitler. Italy was remote beyond the Alps, and the small countries were small countries. The commission would do unchallenged France's bidding.

Had this not been the case, the treaty would have been

drafted quite differently. It would have provided for the member state in the chair to conduct the negotiation, advised on detail respectfully by the commission.

In early 1961, I was negotiating for the British with the six member states of the EEC in Geneva. I lunched regularly with the German delegate. One day he arrived with an air of excitement. "Something momentous has happened," he exclaimed. "The commission has disagreed with the French!"

The commission had made its first bid for authority.

But it still took time. The trade ministers of member states were reluctant to hand over authority to what they considered a bunch of bureaucrats.

A few years later, the Six embarked on a further trade negotiation. When the senior commission negotiator called on the American delegation, the French and German delegates insisted on accompanying him. To the Americans' beamed under close arrest.

At the end of that negotiation, the Kennedy Round, Jean Rey, the European commission responsible, found that he would be able to strike a deal, but only beyond the mandate that the ministers of the Six had given him. There was no time to get them together again, for American legislative authority was fast running out. He had to act on his own.

He rang up Bonn; a state secretary left him none the

wiser. He rang up Paris and spoke to President de Gaulle's foreign minister, Maurice Couve de Murville. The minister was silent. Then he asked, "Do you really want a reply?"

Mr. Rey had a vision of him climbing a mountain to consult God and receiving a thunderbolt. He withdrew the question and went ahead on his own.

It worked. The ministers of the Six backed him. The commission had won its spurs as the trade negotiator for Europe.

Much the same will happen with economic and monetary affairs. It will take longer, because if trade ministers thought they were important, finance ministers think they are divinity. They will still have to be consulted before Euroland speaks with one voice, as will the European Central Bank.

But the present intended kaleidoscope of politicians representing Euroland will have to be replaced by one voice. And the member of the commission with the economic and financial portfolio will end up as the European treasury secretary. Member states will begin to take this into account in the weight of the candidates they put forward for appointment as commissioners. History is made not by rules but by persons who shape the rules.

The writer, a former representative of the European Commission in Washington, contributed this comment to the International Herald Tribune.

## Yes, U.S. Missile Defense for Asia

By Gerald Segal

LONDON — The debate about whether to deploy missile defenses is shaping up as one of the most contentious strategic issues of the next decade. The main theater of the debate will be Asia.

First, there is a proposal to deploy theater missile defenses to protect U.S. forces in Asia. This would have to include Japan and South Korea, and probably also Taiwan.

Second is the Clinton administration's plan, disclosed last month, to spend \$4 billion researching and testing a national missile defense program over the next six years; \$6.6 billion is to be set aside for possible future construction of the system. North Korea's missile test last August showed that it was making faster progress than expected in developing missiles capable of attacking not just Japan but U.S. territory as well.

An element of diplomatic duplicity surrounds the real rationale for missile defenses against threats that are more limited than that posed by the former Soviet Union. The United States does not want to alarm China by overt talk of systems that could neutralize Chinese nuclear missiles, but Beijing understands that most of the discussion of a North Korean threat is really concerned with China.

Chinese officials react vehemently to any talk of American missile defenses. Washington

will not let Beijing have a veto on defining what is in the U.S. strategic interest. Japan's willingness to begin serious exploration of theater defenses shows that it is getting fed up with China trying to dictate the future shape of Asian security.

Beijing has only itself to blame for moves by the United States and its Asian friends to develop missile defenses. China has been conspicuously unhelpful in restraining North Korea because it has cockily assumed that the United States would have to keep compromising with Beijing on strategic issues for fear of making matters even worse on the Korean Peninsula.

China's failure to be transparent about its own defense buildup and its unwillingness to open a trilateral government-to-government dialogue with the United States and Japan on Asian security have increased long-term worries about what seems to be a Chinese strategy of playing for time while it grows stronger.

The fact that China has now indicated a willingness to talk to the United States about national missile defenses and the Anti-Ballistic Missile Treaty suggests that Beijing may be realizing that it has pushed its luck too far.

There is much uncertainty about whether missile defenses

will be effective or too costly. But there is little reason for the United States not to proceed with serious research and even early development of anti-missile systems. U.S. allies in Asia should welcome these efforts if only because they make it more likely that the United States will stay to defend its friends in the region.

In Europe, U.S. allies are prepared to sustain and modernize NATO; a NATO summit in April is to ratify a new strategic concept. In Asia, the United States has to act much more on its own. If it is expected to stay in Asia, it will have to find ways to defend its homeland from Asian adversaries.

If Washington heeded Beijing's demands that it not build an anti-missile shield, it would be more likely to withdraw U.S. forces from Asia and end its key role in maintaining the balance of power in fragile region.

It seems increasingly obvious that an American departure is what China wants. So allies and friends in Asia should help the Americans to develop effective protection from missiles.

The writer is director of Britain's Pacific Asia Program and director of studies of the International Institute for Strategic Studies. He contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1899: Female Dignity

PARIS — A despatch gives an account of a curious movement in Illinois. It states that "prominent women throughout the State are organizing a crusade against the use of the female form in illustrations for advertising purposes, and a bill will be introduced in the Legislature prohibiting it." Gertrude Wallace, president of the federated women's clubs, said: "The mothers of civilized, enlightened America believe that the indiscriminate use of woman's face as an advertising medium not only lowers the standard of her womanhood in dignity, but deprives the high ideal for which she was created."

## 1949: Brief Marriages

HAMBURG — A campaign to allow surplus German women to take temporary husbands so that they may bear children is being waged by a schoolteacher. The schoolteacher pointed out that 7,000,000 German women have no hope of getting husbands. Therefore they should be allowed to marry temporarily for a specified period so as to bear children "to save our culture."

## 1924: Press Dean Dies

PARIS — [The Herald says in an Editorial:] France has lost another of its venerable publicists in the death of M. Arthur

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## INTERNATIONAL

## U.S. Jets Blast Iraq Anti-Ship Missile Battery

WASHINGTON — American warplanes broadened their response in Iraqi challenges of no-flight zones on Tuesday by attacking an anti-ship missile battery in southern Iraq after coming under fire from anti-aircraft artillery, U.S. officials said.

It was the first time in the recent string of almost daily confrontations in the skies over Iraq that U.S. planes have targeted shore-to-ship missile emplacements. They have routinely fired on radar sites, surface-to-air missile batteries, communications links and other elements of Iraq's air defense network.

There was no indication from U.S. officials that Iraq had fired any anti-ship missiles to provoke the attack. The incident indicated that U.S. forces were no longer limiting their choice of targets to air defense sites.

Separately, U.S. officials reported five incidents Tuesday in northern Iraq in which U.S. Air Force and Marine Corps planes attacked anti-aircraft artillery sites and radar associated with an SA-2 surface-to-air missile battery. The American planes acted after encountering anti-aircraft artillery fire, officials said.

In the incidents in northern and southern Iraq, all U.S. planes returned safely to their bases, officials said.

In southern Iraq, two navy F/A-18s and two navy F-14s fired a total of four precision-guided bombs, known as GBU-12s, on a battery of CSSC-3 anti-ship missiles on the Al Faw Peninsula that juts into the Gulf at the mouth of the Shatt al Arab waterway, officials said.

Earlier Tuesday in the northern no-flight zone, air force F-15Es dropped two precision-guided bombs on an anti-aircraft artillery battery after being targeted by Iraqi radar, the U.S. European Command announced. Fifteen minutes later, another Iraqi radar targeted F-15Es, whose pilots responded by dropping more precision-guided bombs.

In a third incident in the north, a Marine Corps EA-6B electronic warfare plane fired a high-speed anti-radiation missile at an SA-2 missile radar site. In a fourth incident, about five minutes later, an unspecified number of F-15Es dropped GBU-12 precision-guided munitions on an anti-aircraft artillery site.

And, 10 minutes later, F-15Es dropped an unspecified number of GBU-12 munitions on another anti-aircraft artillery site deemed to pose a threat to U.S. and allied aircraft.



MOSCOW CHILL — Snow blanketing Red Square on Tuesday. A low of -20 centigrade was forecast.

## FRANCE: Going It Alone, U.S. Inspires Drive for Multilateralism

Continued from Page 1

institutions. In the case of Germany, however, the Frankfurter Allgemeine Zeitung reported that Foreign Minister Joschka Fischer refused to condemn what was termed American unilateralism when he was asked to pass judgment on it during an appearance before the French National Assembly's Foreign Affairs Commission. He said instead that unilateral actions were essentially a result of European indecisiveness.

The French analysis pointed obviously in another direction. Last month, Mr. Jospin said, "We're confronted with a new problem on the international scene. The United States often behaves in a unilateral manner and has difficulty in assuming the role it aspires to as organizer of the international community."

Mr. Jospin's foreign minister, Mr. Vedrine, detailed the government's viewpoint about six weeks earlier. He described "the predominant weight of the United States and the absence for the moment of a counterweight" as "the major fact of the global world today." The United States' weight, he said, "leads it to hegemony, and the idea it has of its mission to unilateralism. And that's inadmissible."

In an interview with the French newspaper Liberation, Mr. Vedrine asked himself rhetorically what was to be done in response. His answer, in part, was: "On the condition of not living in a dream world, knowing the principle of leverage and a few others from 'international geopolitics,' knowing how to put together ad hoc majorities or block minorities... we can use the margin for maneuver we have in a thousand ways."

But to succeed against the "daily manifestations" of American power, a method was necessary. The foreign minister set it out in five steps:

1) Have solid nerves; 2) Persevere; 3) Methodically widen the bases of agreement among Europeans; 4) Cooperate at each stage with the United States, combining friendship and the will to be respected, while defending in all circumstances organized multilateralism and the prerogatives of the Security Council; 5) Prepare politically, institutionally and mentally the moment when Europe will have the courage to go further."

For Mr. Vedrine, there had to be a better way of organizing the world than leaving it to American unilateralism. He said, "There are two opposing approaches: on one side, the dominant power with its means of influence; on the other side, a system both multilateral and multipolar associating all or part of the 185 countries of the world, which supposes the reform or reinforcement of the Security Council, the IMF, the World

Trade Organization, the G8, and that the European Union be one of the dominant poles in this restructuring. We are working at it."

For the moment, French attention seems to be on reorganizing the IMF to come more directly under the political control of member governments so as to minimize what is perceived here as the organization's role as an instrument of American influence. Voting power in IMF councils is based on national wealth and economic performance.

Mr. Chirac, in turn, came to the issue of American unilateralism after the remarks from Mr. Jospin and Mr. Vedrine. In a speech before the diplomatic corps here, he said the UN General Assembly should consider adopting a set of principles for an international order in the new millennium based on "collective sovereignty."

Of Mr. Chirac's list of seven principles, the first — without a specific reference to the United States — called for "collective responsibility" in international action "excluding unilateral temptations and leading to shared management of the global risks and threats that weigh on our peoples."

The other principles went to the same general theme of multilateralism: equality, solidarity and diversity among nations. Mr. Chirac travels to the United States on Feb. 19 to meet with President Bill Clinton.

"In Indonesia," he said, "it will be many years before you have a leader who can swing things back to a situation that will allow the proper running of the country."

Under traditional Asian leadership, Mr. Lee said, "there had always been not a counting but a chopping of heads," and thus leaders were strictly obeyed.

"The world is changing so fast," he said, "I do not know whether Singapore can move quickly enough to find a niche in the new constellation of technologically and knowledge-based economies."

"It is a totally different world that can unravel age-old values that have held our country together."

Lee Kuan Yew, Singapore's senior minister who described himself as a conservative and proponent of what he called firm leadership, said the toll in Southeast Asia had been high.

But there was also a widely voiced fear that high-flying technology stocks will soon collapse and knock down the broader U.S. equity market, triggering another global crisis and hobbling the world's strongest economy and biggest importer.

At the intersection of the old and new economies, some found humor.

Lawrence Summers, the U.S. deputy secretary of the Treasury, suggested that the best way to resuscitate Brazil's traumatized currency, the real, would be to float it on the stock market as real.com.

But humor was not the prevailing theme at Davos, where the discussion according to Senator Kerry, "centered on the thesis that we need to find a way to

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## Paul Mellon Is Dead at 91; Shy Philanthropist Led National Gallery of Art

By John Russell  
New York Times Service

NEW YORK — Paul Mellon, 91, the patrician art collector who tenaciously turned philanthropy into his personal art form, primarily through his stewardship of the National Gallery of Art, died Monday at his home in Upperville, Virginia.

A son of enormous wealth, Mr. Mellon turned from his family's world of banking and business to become an endlessly inventive benefactor of the nation's cultural life.

The Mellons' total contributions to museums and other causes from parks to poetry has been estimated at nearly a billion dollars. The money has gone to save seashores and encourage scholars. It established the Yale Center for British Art and America's top poetry award, the Bollingen Prize.

But to many, the greatest monument to the family's fortune, and to Mr. Mellon's personal dedication, is the National Gallery in Washington, conceived as a gift to the people by his father, Andrew Mellon (1855-1937), the financier and longtime secretary of the Treasury.

The elder Mellon did not live to see his wish fulfilled. But Paul Mellon, who never shared his father's love for commerce, more than inherited a dedication to giving something back to society. For the son it became a way of life.

"Giving away large sums of money nowadays is a soul-searching problem," he once said. "You can cause as much damage with it as you may do good."

At a time when many patrons of the arts insist that their names be chiseled on a museum's facade, he was remembered for avoiding self-promotion and refraining from narcissistic exercises of power.

"Some of it, I suppose, is just a natural shyness on my part," he once said. But there were other reasons. In "Reflections in a Silver Spoon," his 1992 autobiography, written with John Baskett, he said, "If my father had created 'the Mellon Gallery of Art' in Washington, would other donors have been willing to support it?"

Paul Mellon was born in Pittsburgh on June 11, 1907, the only son of Andrew Mellon and his first wife, the English-born Nora McMullen. Andrew Mellon, a partner in the private bank founded by his father, Judge Thomas Mellon, in Pittsburgh in 1870, became one of the most successful U.S. financiers of all time.

Throughout his school days at Choate, in Connecticut, and later at Yale and at Clare College, Cambridge, Paul Mellon developed in ways that defined and strengthened his character, even if they did not always delight his father.

Whether in the United States or in England, he loved the countryside. It was there that he could indulge his passion for horses. His horse Mill Reef won the English Derby in 1971, and he was a champion trail rider until well into his 70s.

When he returned to Pittsburgh from Cambridge in 1931, he agreed almost as a courtesy to his father to enter the Mellon Bank as a trainee clerk. His father's employees never dared to evaluate the boss's son, and in due time he was invited to join one corporate board after another.

On Nov. 29, 1936, he had a crucial meeting with his father, who was in failing health. He recalled telling his father that he could not be "an inadequate replica of yourself, or a counterfeit." He was not a man of business, and never would be one. To his surprise, his father said that was not necessary. He should consider himself as an owner who "kept vaguely in touch through the head people."

Two months before Andrew Mellon died in 1937, construction began on the National Gallery of Art, which had been approved by Congress that year. Andrew Mellon provided funds for the initial gallery, now known as the West Building, designed by John Russell Pope. He also gave 115 paintings, 31 of which had been sold by the cash-poor Soviet government from the Hermitage in Leningrad.

On March 17, 1941, Paul Mellon officially presented the National Gallery to President Franklin D. Roosevelt along with the Andrew Mellon Collection, including Raphael's "Alba Madonna," van Eyck's "Annunciation," Botticelli's "Adoration of the Magi" and a Gilbert Stuart portrait of George Washington.

Paul Mellon was the National Gallery's president and a trustee from 1938 to 1939, rejoining the board in 1945. He served again as president from 1963 to 1979 and as board chairman from 1979 to 1985, when he became honorary trustee.

Through the years he made clear that he did not wish anyone on the staff to bow and scrape at his arrival. To his final days, he would call the gallery's director, Earl Powell 3d, and ask, "Would it be all right if I came to lunch tomorrow?" Still, when he retired from the board in 1985, he told the trustees that he would haunt the gallery for the rest of his life. "And who knows?" he said. "Perhaps from beyond."

Over the years, he gave 913 works to the National Gallery, including Cezanne's "Boy in a Red Waistcoat," two paintings by Mark Rothko, Alexander Calder's animal sculptures, Winslow Homer's "Dad's Coming," Picasso's "Gauguin," Bonnard's "Villards," a Manet, the original wax version of Degas's "Little 14-Year-Old Dancer" and postcards written by van Gogh and Matisse.

He once said that "collecting is the sort of thing that creeps up on you." That was certainly true of his panoramic enthusiasm for English art in all its forms. Before long those holdings seemed to call out for a home of their own. From this came his decision to create the Yale Center for British Art, a museum and research institution that is the largest collection of British works outside Britain. It opened in April 1977.

Mr. Mellon also was a single-handed and single-minded environmentalist. In 1956 foundations that had been started with his sister published a report, "Our Vanishing Shoreline." As a result of this alarm, and with considerable amounts of Mellon funds, parts of the Cape Hatteras National Seashore, the Great Beach of Cape Cod and Cumberland Island off the coast of Georgia have been preserved.

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## DAVOS: World Financiers Send Message to Shaky Economies: You'd Better Get Used to It

Continued from Page 1

roof," Mr. Courtis said, "but we'll soon forget about this crisis."

There was another troubling message here from an upstairs economy that most conferees acknowledged they knew little about: the world of computers and electronic commerce.

The skyrocketing market value of American technology stocks stunned economists and officials from around the world, said David Hale, chief economist of Zurich Insurance Group.

America Online Inc., he said, "now has a bigger market cap than all the transport companies in the United States put together. That's what really stunned

everyone in the private sessions here." But there was also a widely voiced fear that high-flying technology stocks will soon collapse and knock down the broader U.S. equity market, triggering another global crisis and hobbling the world's strongest economy and biggest importer.

At the intersection of the old and new economies, some found humor.

Lawrence Summers, the U.S. deputy secretary of the Treasury, suggested that the best way to resuscitate Brazil's traumatized currency, the real, would be to float it on the stock market as real.com.

But humor was not the prevailing theme at Davos, where the discussion according to Senator Kerry, "centered on the thesis that we need to find a way to

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At the








**BOEING**

AS TURKEY HEADS TOWARD THE FUTURE,  
THE NEXT-GENERATION 737-800  
WILL HELP LEAD THE WAY.





TOMORROW  
TECHNOLOGY

## Mitch Wright: The Gospel Truth

His Music Is Sum of Many Traditions

By Mike Zwerin  
International Herald Tribune

**P**ARIS — Before his current intergenerational collaboration, the up-and-coming multicultural gospel star Mitch Wright was formerly more interested in the artist formerly known as Prince.

He liked listening to Michael Jackson, too, but there was not much available beyond that. He once met the French blues hero Memphis Slim. "He was such a very big man," is about all that he remembers. Now he has grown to be the sum of more than one tradition. But as a child growing up in Paris he was cut off from African-American trends. His father is American, a professional gospel singer; his mother is German, her mother was a classical piano teacher. Gospel meant nothing to him.

In 1994, Mitch turned 21 and the Golden Gate Quartet celebrated its 60th birthday. The Paris-based gospel group gave close to 300 concerts that year.

Wright's father, Clyde, joined in 1954. He had been living in Bordeaux, a few years after an honorable discharge from the U.S. Army.

The group's founders, Clyde Riddick and the late Orlando Wilson, both close to 80 in 1994, were tired and looking forward to a well-deserved rest.

Clyde Wright was younger and energetic and ambitious at the end of 1994. With the quartet on hold, he formed his own group and called it the Gospel Caravan Trio. He asked his son to help him finish writing some songs. A quick CD was needed to support an impending tour of Switzerland.

Mitch Wright is a tall, outgoing, bright young man with a ready smile and bilingual fluency. "In my father's generation," he said, "if you wanted to make church music your profession, basically you had to accept that you would not be able to support yourself. Even today, I have cousins over in the states who grew up with church music, and the decision is not easy for them either. Should they cross over to pop? There's a line between religious and secular music. It used to be that if you crossed that line you would betray the church — betray yourself, in a way. It's different now, but still."

Gospel music can be traced back to a pianist named Thomas A. Dorsey, who accompanied the blues singer Ma Rainey and who had a religious ex-

perience in the 1920s. He came to believe that the human body was a temple, and he wrote and sang songs in praise of the Lord.

Dorsey had a hard time of it for a while. His songs adapted blues and jazz elements to sacred verses, and he was often told that there was no place for the blues in church. But eventually his influence became so strong that in the 1930s some gospel songs were known as "Dorseyes." Mahalia Jackson and The Five Blind Boys of Alabama and others became famous and sang in churches all over America after developing Dorsey's innovations.

With some exceptions, gospel was accompanied by the piano. Sister Rosetta Tharpe, with whom Clyde Wright sang as a young man, played the guitar. Eventually, Ray Charles and Aretha Franklin put the blues back into it and much of today's pop is a post-gospel fusion. Of course, just about anything you hear today is some sort of post-hyphenated fusion.

While attending a Parisian lycée, Mitch Wright began to play around with making music. At 14, his teeth were out strong enough to blow a saxophone, so he switched to guitar. The guitar generally goes with the blues, which is considered by some churchgoers to be the "devil's music." The blues is basically about nighttime, while gospel people tend to wake up at first light.

Clyde Wright "sort of poshed" his son into the classical conservatory. Actually, the young guitar student loved to play classical music, and he understood. "It had been very hard for my father's generation to get a musical education. He insisted that I learn to read and write music."

Mitch learned pieces by Albeniz and Bach and later studied musicology at the Sorbonne. His knowledge of structure now helps him to write songs of his own (in French). Young Mitch's classical guitar teacher once gave him a little folk-blues piece to learn, and one day



Mitch Wright: "I have different musical sides. But gospel will always be the first one, the roots one."

his father overheard him jamming with a funk group.

Clyde Wright did not like that. As far as he was concerned, gospel and the blues, even folk blues, did not go together — secular versus religious. Classical was, well, classic. "My dad was angry," Mitch remembered. "He told me, 'The blues is not what I'm paying for.'"

**M**ITCH was surprised when it became obvious that it was a real problem. For years, his father had worked on the SS France, sailing back and forth from Le Havre to New York. His father often told him how much he liked that life. He enjoyed meeting Hollywood stars such as Judy Garland. You don't get much more secular than that.

Mitch had not been aware of how important it was for his father to keep his gospel roots.

At the beginning of their collaboration, Mitch would work late at night to make sure he got the arrangements just right. He was studying arranging at the American School of Modern Music in Paris. This was good on-the-job training. They recorded 13 songs, enough for a CD. But it turned out that the Swiss tour had no recorded support after all, because contractual problems were followed by a lawsuit and the album was never released. It's called paying dues.

The Gospel Caravan Trio performed on stage together for the first time as part of a Radio France annual series. As musical director as well as singer, arranger and guitarist, Mitch conducts the rehearsals. (Including a supporting bonus section, there are seven people on stage.) There were some short tours, an important concert near Toulouse, jazz festivals in Martinique and Andorra.

Over the past few years, they have learned enough repertoire for three sets, mostly their own material. The group is busy enough to keep the musicians it wants.

Although the evening following Christmas Day is generally a slow date in clubs, last Dec. 26 they packed the prestigious Petit Journal in Montparnasse.

"I have different musical sides," Mitch Wright said Saturday, before performing as part of the sixth annual international gospel festival in Paris. "But gospel will always be the first one, the roots one. I'll always carry that with me no matter what. I've discovered a real important part of myself."

## Russian Resurrection

By Sheridan Morley  
International Herald Tribune

**L**ONDON — It was a rich, rare and amazing week for the rediscovery and rebuilding of two Russian classics, the first from 1870 and the second from 1910. Neither the first, Alexander Ostrovsky's "The Forest," at the National, nor the second, Maxim Gorky's "Vassa," Almeida Theatre at the Albany, were exactly unknown or unrevived here, but over them both had descended a fog of worthiness and a feeling of academic duty rather than sheer theatrical exuberance and enjoyment in their staging.

Within a few days, all that has changed forever: the new adaptations by Alan Ayckbourn ("The Forest") and Peter Gill ("Vassa") bring both plays off the library shelf and throw them into sharp relief as farces of families in meltdown for assorted social, historical, political and generational reasons.

Ayckbourn's version of "The Forest," stylishly directed by Anthony Page on a woodwork indoor and outdoor set by William Dudley, starts out as "The Cherry Orchard" and ends up as "Wild Oats." At its new center are a pair of strolling players, Michael Feast and Michael Williams, whose arrival wreaks havoc on a household dominated by a rich landowner (Frances de la Tour) determined to control, and where possible destroy, her nearest and supposedly dearest.

If you imagine a couple of Beckett tramps invading Sondheim's "A Little Night Music" you will have some idea of what is going on, maybe. Ostrovsky's genius here was to be the first since Shakespeare to write a play proving that the strolling players are the ones who, though apparently penniless and unemployed, retain integrity and oobility while the ostensible aristocrats around them cheat, lie and gamble to their heart's content. His arrow only finally reaches its target in one of the actors' last speeches. "We are the artists, you are the clowns," but we have seen it coming from a long way off. Though slow-starting, Page's production won-



Feast, left, and Williams in Ostrovsky's "The Forest."

derfully identifies the real heroes, and in Feast and Williams he has found one of the great comic double-acts of our time: Feast all strangled nobility and Williams chasing around him like a drunken but faithful dog.

London and New York are alive with plays in which the actors turn out to be the heroes, from David Hare's "Amy's View" to Terry Johnson's "Cleo, Camping," Emmanuel & Dick to Noel Coward's thespian comedy "Present Laughter"; it is as though, after years in which they have been vilified and traduced to the press as luvvies, player kings and queens are now back center stage to full greasepaint glory, probably for the first time in the almost 40 years since Stoppard's "Rosencrantz and Guildenstern Are Dead."

But Page's infinitely detailed character-study production acts as a useful counterpoint at those moments when Ayckbourn's patient love for his two actors threatens to unbalance the old edifice entirely, and the result would be far and away the best (and certainly the funniest) old Russian masterpiece in

London restoration were it not for the simultaneous arrival of "Vassa."

Though rather more familiar to local audiences than "The Forest," this too is a play that has suffered for years from a dire solemnity of staging. But the director Howard Davies has shot several thousand volts through it, and the outcome is another manic farce of Russian relative values gone hilariously and hysterically adrift.

Though written by Gorky some 40 years after Ostrovsky's "Forest," it has a curiously similar plot structure in which another formidable matriarch (Sheila Hancock) tries to maintain her dominance over a family that is patently coming apart at the seams.

Davies' production is peopled by some of the finest character actors in the business (Richard O'Callaghan, Adrian Scarborough, Ron Cook and David Tennant) and again it seems to be an anti-Chekhov project that, instead of mourning a lost rustic Russia of landed gentry and servient peasants, suggests a whole new power structure built around ambition, greed, urban values and family-business takeovers. In that sense, these two plays remain more topical about modern Moscow than anything happening in the old cherry orchard. They have been brought back with a vengeance to suggest that there were many more subversive things going on in Russia a century ago than just the collapse of the old order, and in that sense these plays more accurately prefigure the coming of communism a few years later.

Taking its mood from Katharine Hepburn in "The Lion in Winter" ("Every family has its little problems"), the production remains true to Gorky while turning his plot into the very best of Ben Travers. In one of the first great feminist texts, cuckold husbands, crippled sons, loveless daughters and grubby cousins all find themselves hurled into a farce with pell-mell changes around the furniture and leaps from windows. Chekhov on Speed is the result, with Hancock in fine form as the Mother from Hell believing that anything she does is forgivable in the name of family.

## Paris Fetes Contemporary Music

By David Stevens  
International Herald Tribune

**P**ARIS — This city's musical scene has had a shot of adrenaline in the last few days with the opening of the ninth Presences festival of contemporary music and the visit of two major American orchestras.

In a total of 20 concerts running to Feb. 14, the festival, organized by Radio France, has its usual heavy dose of new works: 21 first performances, 33 being heard for the first time in France, and a dozen the result of commissions by Radio France. A wide audience is virtually guaranteed not only by Radio France's broadcasts, but also by free access to the concerts — all you have to do is get there early enough to get a seat.

The festival this year is built around two themes. One is the music of the prolific French composer Pascal Dusapin, 45, with 14 of his compositions programmed. The other is a presumed Paris-New York-Montreal axis, which brings to the programs the works of several

young and not-so-young composers from the two North American cities.

The opening concert Friday offered two of Dusapin's deviously written "solos" for orchestra, his concert for cello and orchestra, with Sonia Wieder-Atherton as the virtuoso soloist, and the first performance of Eric Tanguy's "Intrada," for orchestra. The Radio's Orchestre National, under Pascal Rophe, was on its best behavior.

Of the forthcoming concerts, one on Friday has particular interest, with the "L.A. Variations" of Esa-Pekka Salonen, who is better known as the musical director of the Los Angeles Philharmonic, and "Viviane of Avalon," which is the opening scene of an as yet uncompleted opera, "Merlin," by the Argentine-born New York composer Ezequiel Vinoso.

Aside from Radio France's orchestras, the concerts are being undertaken by two Canadian ensembles, the Nouvel Ensemble Moderne and the Societe de Musique Contemporaine du Quebec, while the Continuum and Orpheus Chamber groups are on hand from New York.

The Cleveland Orchestra was in town for two concerts, the second of which, on Sunday at the Cite de la Musique, included two works by Charles Ives that are hardly customary touring fare. "Central Park in the Dark" is relatively well-known, but not the "Emerson Concerto," a highly concentrated 20-minute work for piano and orchestra that occupied Ives most of his life. It was given its French premiere in a "reconstitution" by David G. Porter, with Alan Feinberg as the supremely confident soloist and the Clevelanders under Christoph von Dohnanyi in solid support.

The San Francisco Symphony is also making its way through Europe, with Michael Tilson Thomas and some uncustomary programming. On Monday at the Theatre des Champs-Elysees, the soprano Dawn Upshaw charmed the audience in the course of eight of Marie-Joseph Canteloube's "Chants d'Auvergne," singing the dialect as if she were born to it. The orchestra followed this with a songful and expressive reading of Mahler's Fifth Symphony. It was no ordinary night in the concert hall.

## An Award for Sachar's 'Holes'

New York Times Service

**P**HILADELPHIA — The 1999 Newbery Medal for children's literature has been awarded to a darkly comic novel about a schoolboy's mysterious adventure. The winning book, "Holes," by Louis Sachar, is about a boy named Stanley Yelnats who is convicted for a crime he did not commit and serves time at Camp Green Lake, a bizarre juvenile detention center in a dry Texas wasteland. The award is given by the American Library Association.

Although "Holes," which won the National Book Award for young people's literature in November, was the popular and critical favorite, it was an exceptionally strong year for fiction and nonfiction alike, and librarians and publishers expressed surprise that only one honor book, or secondary award, was given, for "A

Long Way From Chicago," a novel by Richard Peck.

There was something of a wistful theme on the picture book side. The Caldecott Medal for illustration went to Mary Azarian, a Vermont artist, for "Snowflake Bentley," her account of the life of Wilson Bentley, an early photographer of snowflakes, illustrated with distinctive woodcuts.

In a separate development, the Young Adult Library Services Association, a division of the American Library Association, has agreed to the establishment of a separate award for the best young-adult book for readers ages 12 to 18 based on literary merit.

As with the Newbery and Caldecott awards, the winner will be announced at the midwinter meeting of the association. Only books published by youth divisions or dedicated children's publishers will be considered.

## BOOKS

### THE CRIME OF SHEILA MCGOUGH

By Janet Malcolm. 164 pages.

\$22. Alfred A. Knopf.

Reviewed by Richard Bernstein

**I**N "The Crime of Sheila McGough," Janet Malcolm continues the iconoclastic and over-determined crusade that she began in her two last books, "The Journalist and the Murderer" and "The Silent Woman: Sylvia Plath and Ted Hughes."

In those works, Malcolm likened journalists to confidants who betray their subjects without remorse, while biographers are like "professional burglars," plundering the lives of their subjects for their own purposes. The work of both, she maintained, inevitably involves the creation of narratives that are as likely to deform the truth as to respect it.

Malcolm's subject in her new book is criminal justice, or, more accurately, the way in which a trial is not a search for the truth but a battle-ground for two competing narratives, the prosecution's and the defense's. Like her previous works, "The Crime of Sheila McGough" presents a fascinating case study, in this instance the apparently unjust conviction of McGough, a lawyer, for participating in the white-collar crimes of one of her clients.

But Malcolm's main theme is, as before, the vexing power of the person who controls the words, who invents

the narrative and who thus prevails over the truth.

Also as before, she makes far too much of her theory. In some respects what she does in all three of these books is state in catchy, seemingly incisive, epigrammatic form what are actually rather obvious problems in real-world investigations, most obviously that the truth is difficult to determine and moreover that there are unscrupulous or careless or lazy people out there who manipulate and falsify.

And so, on the one hand, Malcolm provides useful insights into the reality that often lies behind appearances. On the other, she inflates these particular insights into all-purpose conclusions that wreak the same injustice on the complex and elusive truth as the false narratives she exposes. An additional though related flaw is discernible in her new book. While Malcolm makes a persuasive case that McGough was indeed victimized by a false narrative, some of the author's main conclusions are undermined by the very evidence she presents.

First things first: Malcolm has performed a useful public service in re-examining the case of McGough, a dedicated but naive defense lawyer from Virginia. McGough, who spent two and a half years in prison and was disbarred, was the defense lawyer for a lifetime coo-artist named Bob Baileys, accused of defrauding a bank by lying to get a loan. In the course of defending him, McGough gave the appearance that she

had crossed the line from defense into illegal participation in Baileys's crimes, for which she was indicted and convicted.

Malcolm shows, by getting to know McGough well and by carefully examining the evidence, that the conviction

was probably wrong. But she goes beyond this to a further belief. McGough says she was so assiduous and unyielding in her defense of her clients that she ended up irritating federal judges and prosecutors and for that reason was prosecuted herself, on what

## BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.		
FICTION		
Rank	Title	Weeks on list
1	SOUTHERN CROSS, by Patricia Cornwell	10
2	A MAN IN FULL, by Tom Wolfe	11
3	SEIZE THE NIGHT, by Dean Koontz	2
4	BILLY STRAIGHT, by Jonathan Kellerman	3
5	IN DANGER'S PATH, by W.E.B. Griffin	3
6	THE CAT WHO SAW STARS, by Lilian Jackson Braun	1
7	THE SIMPLE TRUTH, by David Baldacci	8
8	THE POISONWOOD BIBLE, by Barbara Kingsolver	6
9	HARRY POTTER AND THE CHAMBER OF SECRETS, by J.K. Rowling	7
10	ANGELS' FLIGHT, by Michael Connelly	9
11	WHEN THE WIND BLOWS, by James Patterson	4
12	MEMBERS OF A GEBHA, by Arthur Golden	10
13	CHARMING BILLY, by Alice McDermott	5
14	A NIGHT WITHOUT ARMOR, by David Baldacci	12
15	AMSTERDAM, by Ian McEwan	13
16	THE CENTURY, by Peter Jennings and Todd Brewster	3
17	BLIND MAN'S BLUFF, by Sherry Jones and Christopher Drew	4
18	FOR THE LOVE OF THE GAME, by Michael Jordan	10
19	CONVERSATIONS WITH GOD: Book 3, by Neale Donald Walsch	6
20	THE PROFESSOR AND THE MADMAN, by Simon Winchester	5
21	A WALK IN THE WOODS, by Bill Bryson	10
22	THE DEATH OF OUTRAGE, by William J. Bennett	9
23	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	8
24	THE TEN COMMANDMENTS, by Laura Segalinger and Stewart Segalinger	14
25	THE ENDURANCE, by Caroline Alexander	7
26	THE ART OF HAPPINESS, by the Dalai Lama and Howard C. Cutler	12
27	WHY NOT ME? by Al Franken	1
28	CARELESS LOVE, by Peter Guralnick	1
29	ADVICE, HOW-TO AND MISCELLANEOUS	1
30	LIFE STRATEGIES, by Phillip C. McGraw	1
31	29 STEPS TO FINANCIAL FREEDOM, by Sue Gorman	1
32	SUPER BUSTERS!, by H. Leighton Steward et al.	1
33	ONE DAY MY SOUL JUST OPENED UP, by Lynda Vanzant	2
34	THE GREATEST GENERATION, by Tom Brune	1
35	TUESDAY WITH MORRIE, by Mitch Albom	2

## THE INTERNATIONAL PROPERTY MARKET

MARCH 13-14, 1999 - PALAIS DES FESTIVALS - CANNES - FRANCE

### Tourism Real Estate sets up shop in the heart of MIPIM

The 19th MIPIM will devote considerable space to the fast-growing sector of tourism real estate. To meet the needs of professionals, MIPIM has created a special exhibition area for firms active on the market for traditional hotels, hotel and tourist resorts, cruise ships, theme parks, conference centres and golf links.

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12 Month		Stock	Div	Yld	PE	52 Wk High	52 Wk Low	Latest Close
High	Low							

品名	単位	数量	金額	備考
米	石	100	10000	
小麦	石	50	5000	
大豆	石	30	3000	
粟	石	20	2000	
稗	石	10	1000	
高粱	石	10	1000	
玉米	石	10	1000	
芝麻	石	5	500	
花生	石	5	500	
油菜	石	5	500	
棉花	担	100	10000	
羊毛	担	50	5000	
皮革	担	20	2000	
木材	立方尺	1000	10000	
煤炭	立方尺	1000	10000	
石油	立方尺	1000	10000	
天然气	立方尺	1000	10000	
电力	千瓦时	1000	10000	
电话	分钟	1000	10000	
电报	字	1000	10000	
报纸	份	1000	10000	
杂志	份	1000	10000	
书籍	册	1000	10000	
文具	件	1000	10000	
服装	件	1000	10000	
鞋帽	件	1000	10000	
化妆品	件	1000	10000	
药品	盒	1000	10000	
医疗器械	件	1000	10000	
办公用品	件	1000	10000	
其他	件	1000	10000	

High	Low	Stock	Div Yld	PE	100 High	Low	Label	Change
112	111	112	111	112	111	112	111	112
113	112	113	112	113	112	113	112	113
114	113	114	113	114	113	114	113	114
115	114	115	114	115	114	115	114	115
116	115	116	115	116	115	116	115	116
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162	161	162	161	162	161	162	161	162
163	162	163	162	163	162	163	162	163

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Stack	On Day PE	1000 High	Low Limit	Open
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2	1000	1000	1000	1000
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94	1000	1000	1000	1000
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97	1000	1000	1000	1000
98	1000	1000	1000	1000
99	1000	1000	1000	1000
100	1000	1000	1000	1000

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**Lombard Odier**  
11, rue de la Comaerie - 1204 Geneva - Switzerland

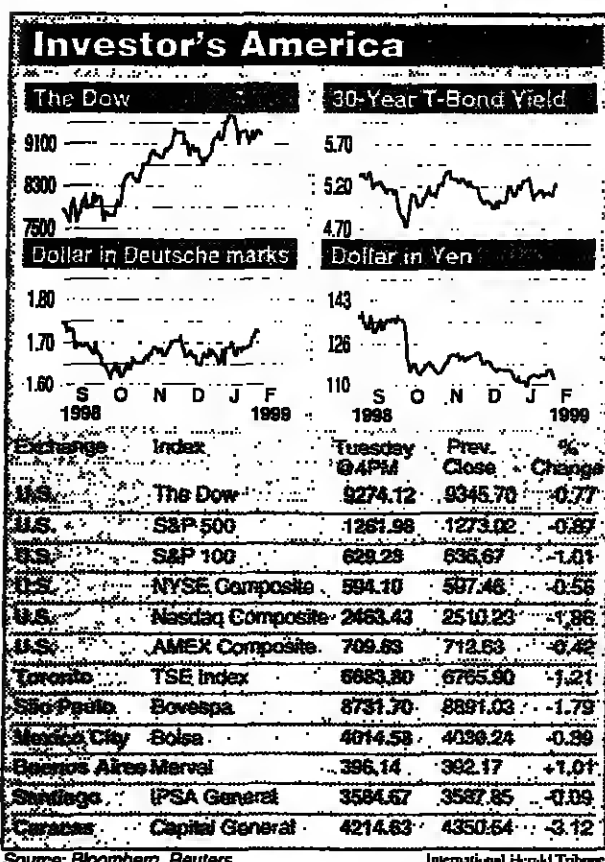
**Continued on Page 14**







## THE AMERICAS



## Very briefly:

- **Long-Term Capital Management LP**, the hedge fund that was bailed out in September by 14 lenders, said that Myron Scholes and William Krasker, two original partners, were leaving the five-year-old firm. Both will retain their investments in the fund as limited partners. Mr. Scholes, a 1997 Nobel laureate in economics, will return to writing and occasionally lecturing at Stanford University, and Mr. Krasker plans to do consulting work.
- **The Federal Reserve Board** asked U.S. banks to tighten their standards for lending to hedge funds. The Fed said banks should have both internal and independent ways to measure the risks they are taking.
- **America Online Inc.** agreed to buy **Moviefile Inc.** for stock valued at \$388 million. Moviefile provides movie show times and sells tickets through a telephone service and the Moviefile.com Internet site.
- **Philip Morris Cos.**, the world's largest tobacco company, plans to close one of its Brazilian factories and cut as many as 1,000 employees, the newspaper *Gazeta Mercantil* said. Philip Morris decided to shut down the Curitiba factory, which exported 90 percent of its output to Eastern Europe, after economic problems in Russia cut sales to the region.
- **U.S. new home sales** fell 3.6 percent in December from a year earlier but were still strong at 987,000 units as low interest rates and optimistic consumers fueled the best year ever for both builders and buyers.
- **Worldwide semiconductor sales** are expected to rise 15 percent in 1999 to \$154.5 billion after slumping for the past three years, according to the market researcher Dataquest Inc. Much of that increase is forecast to come in the second half as people buy computers to replace machines they fear may fail because of the so-called year 2000 bug.
- **Johns Manville Corp.**, the building-products maker that was devastated by asbestos litigation in the 1980s, said its net income rose 62 percent in the fourth quarter from a year earlier, to \$43.6 million, amid significantly improved demand for building insulation.

## U. S. STOCK MARKET DIARY

Tuesday, Feb. 2									
Indexes					Most Active				
Dow Jones	Open	High	Low	Close	NYSE	Open	High	Low	Close
9100	9100	9100	9100	9100	1000	1000	1000	1000	1000
30-Year T-Bond	5.00	5.00	5.00	5.00	1000	1000	1000	1000	1000
Standard & Poor's									
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
NYSE									
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
NASDAQ									
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
AMEX									
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Dow Jones Bond									
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Trading Activity									
NYSE	1119	1336	1336	1336	NYSE	1119	1336	1336	1336
NASDAQ	1119	1336	1336	1336	NASDAQ	1119	1336	1336	1336
AMEX	1119	1336	1336	1336	AMEX	1119	1336	1336	1336
Dividends									
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
Irish Whiskey	2.00	2.00	2.00	2.00	2.00	Irish Whiskey	2.00	2.00	2.00
United States Steel	1.00	1.00	1.00	1.00	1.00	United States Steel	1.00	1.00	1.00
U.S. Stock Tables Explained									
Sources: U.S. Stock Tables Explained									

## Worries About Higher Rates Hit Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Tuesday as higher interest rates caused concern about future corporate profits at the same time investors were taking profits in technology shares.

The Dow Jones industrial average closed 71.58 points lower at 9,274.12, and the Standard & Poor's 500 index finished 11.02 points lower at 1,261.98. The technology-heavy Nasdaq composite index ended 46.66 points lower at 2,463.43. Declining issues outnumbered advancing ones by a 2-to-1 ratio on the New York Stock Exchange.

Investors were worried about higher interest rates in the Treasury bond market, where the yield on the

benchmark 30-year issue has risen 16 basis points in the past two days. The yield rose to 5.24 percent from 5.17 percent Monday; the issue was yielding 5.08 percent Friday. The price fell 28 3/32 point to 100 4/32.

Analysts said the Federal Reserve's policy-setting Federal Open

## U.S. STOCKS

Market Committee, which will finish its two-day meeting Wednesday, might show a bias toward raising interest rates. "The fact of the matter is that more people are worried about them tightening," said Trude Latimer, an independent stockbroker.

The higher bond rates and the pos-

sibility that the Fed may shift its stance have investors concerned that companies are going to have to rely on strong earnings — and not lower interest rates — to keep their stock prices aloft, said Tom Galvin at Donaldson, Lufkin & Jenrette Securities.

"We're at a tough transition point," he said, because while fourth-quarter earnings reports were generally strong, "most investors don't have a lot of confidence" in earnings going forward.

Investors were particularly worried about the high valuations of technology stocks, some of which have risen spectacularly despite showing little or no profits.

E\*Trade Group, an on-line brokerage, fell 3 1/16 to 58 1/4, and

Tech Data lost 1 1/4 to 20 5/16 after the computer distributor warned its earnings would lag forecasts because it was cutting prices to keep pace with cuts by rivals.

Microsoft fell 5 5/16 to 167 1/4 on worries that its profit would not justify its price/earnings ratio of 66. The stock rose 117 percent in the past year, more than quadruple the 25 percent gain in the S&P 500.

But Dell Computer, the most active U.S. stock, bucked the trend, rising 3/4 to 108 3/4.

Computer-related shares "get a little bit ahead of themselves at times," said W. Shannon Reid, at First Capital Group. "Markets can't go up every day and all the time."

(Reuters, AP, Bloomberg)

## Judge Blocks Internet Sex-Sites Law

## Child Online Protection Act Is Found to Violate Free-Speech Rights

By John Schwartz  
Washington Post Service

WASHINGTON — A federal judge in Philadelphia has blocked a law designed to protect minors from sexually explicit commercial sites on the World Wide Web on the ground that it would restrict constitutionally protected speech.

Despite the court's personal regret that this preliminary injunction will delay once again the careful protection of our children, I without hesitation acknowledge the duty imposed on the court and the greater good such duty serves," wrote U.S. District Judge Ronald Reagan.

Judge Reagan's order imposed a preliminary injunction against the Child Online Protection Act and stopped the law from taking effect at midnight Monday, when a temporary restraining order he granted in November would have expired.

"Naturally, we're delighted by the decision," said Christopher Hansen, staff counsel for the American Civil Liberties Union, which is leading a coalition of groups challenging the law.

"We've always said these cases are about speech," he said. "The government kept arguing that these cases are about dollars and cents."

Judge Reagan came down on the side of speech. The Web sites deserve the highest possible level of protection by the courts, "not because of the risk of driving certain commercial Web sites out of busi-

ness but the risk of driving this particular type of protected speech from the marketplace of ideas," he ruled.

Chris Watney, a spokeswoman for the Justice Department, said only that government lawyers were "reviewing" the judge's decision.

The injunction means that the government will not be able to enforce the law until the challenge in it can be heard and decided. Such injunctions are granted on the likelihood that the challenge will be successful, so their language is read carefully for subtle clues to a court's views.

The Child Online Protection Act is the second major attempt by Congress to protect children from adult materials found on-line. The first, the Communications Decency Act, was passed in 1996 and struck down

in 1997 by the Supreme Court as unconstitutional. That bill made it a crime to make "indecent" or "patently offensive" material available to minors via computer networks.

The so-called child-protection act, passed in November, was designed to be more narrow. Instead of trying to regulate the entire Internet and its patchwork of varied technologies, it focuses on commercial Web sites.

The law requires purveyors of material that would be "harmful to minors" to take steps to keep minors from gaining access to their sites, for example by requiring a credit-card number for entry. Those found guilty of violating the act could be fined hundreds of thousands of dollars in fines and imprisoned for as long as six months.

## Shaman to Drop Drug Lines

New York Times Service

LOS ANGELES — Shaman Pharmaceuticals Inc., a biotechnology company that relied on tribal healers to provide leads for new drugs, will cease its pharmaceutical operations and lay off 60 people, or 65 percent of its work force.

Lisa Conte, Shaman's chief executive, said Monday the company decided to cease drug development after the Food and Drug Administration told Shaman it would require additional clinical trials before approving the company's first drug, to treat diarrhea in AIDS patients.

thought, based on previous discussions with the agency, that it had already completed sufficient testing.

The company, based in South San Francisco, California, will now try to enter the herbal diet supplement business, which is growing rapidly and is far less heavily regulated.

Shaman said it would move assets into the privately held Shaman Botanicals, a subsidiary that might be spun off someday.

Shaman's stock, which tumbled to 40.625 cents Monday from 87.50 cents Friday, plummeted again Tuesday and was quoted in late trading at 21.875 cents, down 18.75 cents.

## Asian Giant In Newsprint

The Associated Press

MONTREAL — Abitibi-Consolidated Inc. said Tuesday it had formed a \$1.35 billion joint venture with Norske Skogindustrier A/S and Hansol Paper Co. to create the biggest newsprint and paper company in continental Asia.

The Canadian, Norwegian and South Korean companies will each control a third of the venture, which joins the Asian operations of the three partners.

Abitibi-Consolidated said the Asian deal, along with other recent moves, will help lower the company's costs and making it potentially more profitable in a weak global market.

"With our partnership in this venture, our recent acquisition of the Snowflake, Arizona, mill and our strategy to retire high cost capacity, Abitibi-Consolidated is advancing on its objective of holding only a portfolio of low-cost assets and improving returns to shareholders," said Jim Doughan, the president.

Abitibi-Consolidated, one of the world's largest newsprint makers, operates 19 mills in North America and in Britain.

The tentatively named Pan Asian Paper Co., headquartered in Singapore, has four modern mills in South Korea, China and Thailand and an annual production capacity of 1.425 million tons. The company has about 20 percent of the market in the Asian-Pacific region.

## Bond Yields In Japan Help Yen to Rise

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the yen Tuesday as sharp increases in Japanese bond yields increased expectations that Japanese companies would repatriate yen before Japan's fiscal year ends March 31.

"The spike up in the bond yields means that the Japanese will not have as great an appetite for U.S. bonds because the yields between the two are narrowing," said Grant Wilson, a trader at Mellon Bank.

Yields on Japanese long-term bonds rose sharply after Finance Minister Kiichi Miyazawa said

he was not dissatisfied with the recent rise in long-term interest rates. The dollar fell to 112.145 yen in 4 P.M. trading on Tuesday from 115.05 yen Monday.

"The keys underpinning the move down in the dollar are the constant and building repatriation concerns," said Lisa Finstrom, currency analyst at Salomon Smith Barney.

Comments from Eisuke Sakakibara, Japan's vice finance minister for international affairs, also weighed on the dollar. Mr. Sakakibara said the U.S. economy was too strong and would slow down later in the year. He also said the Japanese economy would bottom out in the middle of this year and that, if the U.S. economy did remain the sole engine of world growth, it was likely to raise the issue of protectionism.

"The comments from Sakakibara seem confrontational," Ms. Finstrom said, adding that trade relations could become more strained.

U.S. Treasury Secretary Robert Rubin said Tuesday the U.S. supported a strong dollar, and he vowed not to use the dollar as a tool of trade policy. U.S. currency policy remains "absolutely unchanged," he said.

In other trading, the euro was little changed against the dollar on expectations that the European Central Bank would leave interest rates on hold Thursday. U.S. Federal Reserve policymakers, who met Tuesday and will resume meeting Wednesday, are also expected to keep rates unchanged. The euro rose to \$1.341 from \$1.338 on Monday, and the pound fell to \$1.6388 from \$1.6412. The dollar fell to 1.4133 Swiss francs from 1.4217 francs.

(Bridge News, Bloomberg)

## REAL: Brazil Ousts Bank Chief

Continued from Page 11

pointed to a lower-ranking post. Paulo Ferraz, of the Banco Bozano Simonsen, said Mr. Fraga's appointment was "a confirmation of the government's willingness to go by the book."

He said the government appeared to be steering away from any hint of drastic solutions to Brazil's dire economic problems, such as confiscating private bank accounts, which had been rumored last week.

"It's a confirmation of what Malan said, that there's no way this government will resort to magic to get out of its problems," he said.

An IMF negotiating team has been discussing a range of issues with Brazilian officials, including the financial standing of Brazilian states, new rules for government intervention in currency markets and new targets for inflation and interest rates.

Opposition leaders criticized the appointment, saying the government had delivered the nation's economic policy to international speculators.

David Fleischer, a Brasilia-based political consultant, said it hardly helped that the appointment was announced shortly after Mr. Fraga's arrival in Brazil. "It was a very inopportune time because a lot of people jumped to the conclusion that the IMF had led Brazil to replace Lopes," Mr. Fleischer said.

Wall Street Praises 'Market-Based' Decision  
Wall Street analysts said the appointment of Mr. Fraga had sent a positive signal to global markets, Reuters reported from New York.

They said the appointment meant that Brazil would take market-based approaches to fix its daunting financial problems.

Glenn Grossman, senior managing director at Cantor Fitzgerald, called Mr. Fraga "an outstanding appointment."

He added, "I think that having worked with Soros and that community is a plus, a huge plus."

## INTEREST RATES

Tuesday, Feb. 2

Government Debt									
	3-month	6-month	1-year	2-year	5-year	10-year	30-year	15-year	100-year
Brazil	5.36	5.36	5.36	5.36	5.36	5.36	5.36	5.36	5.36
France	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Germany	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Italy	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Japan	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285
Spain	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
United States	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
Yield	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
Price	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32

Source: Bloomberg

## Money Market Rates

Money Market Rates									
	3-month	6-month	1-year	2-year	5-year	10-year	30-year	15-year	100-year
United States	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
France	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Germany	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Italy	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Japan	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285
Spain	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
United States	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
Yield	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
Price	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32

Source: Bank of Tokyo-Mitsubishi

## Libor Rates

Libor Rates									
	1-month	3-month	6-month	12-month	18-month	24-month	36-month	48-month	60-month
Brazil	5.36	5.36	5.36	5.36	5.36	5.36	5.36	5.36	5.36
France	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Germany	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Italy	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Japan	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285
Spain	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
United States	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
Yield	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
Price	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32



## EUROPE

## Who's Most Ready for 21st Century? Denmark

By Daniel Liefgreen  
Special to the Herald Tribune

DAVOS, Switzerland — The question of how ready countries are for the 21st century is a natural one for the World Economic Forum, the annual meeting of some of the world's movers, shakers and deep thinkers that ends Wednesday.

A small group of consultants and executives based in Europe spent the past year trying to answer it. This week they presented their "European Future Readiness Index," ranking the 15 countries in the European Union on how prepared they were.

To add context, the report also assigned ratings to the United States, Japan and Canada.

The countries were evaluated on

economic performance, fairness, "harmony" and general readiness for the future. The study looked at everything from the number of Internet connections per person to the impact of organized crime on business.

Denmark came out on top, earning top marks (an 87.3 rating on a scale of 100) because of strong economic performance, low health-care costs, a low crime rate and a small percentage of people living below the poverty line.

Austria came in second with a score of 87.2, primarily because of good marks for environmental protection and high youth employment.

Ireland, with an 87.0 rating, placed third and drew plaudits because "it combines the highest growth rate in

Europe with relatively little pollution and gets good grades on the dimensions of health, employment and education," the study said.

At the bottom was Italy, with a 75.0 rating. It was described as a "laggard" because it suffers from high unemployment and a business environment hampered by organized crime.

Canada, the United States and Japan, the non-European members of the Group of Seven industrial nations, ranked in the middle.

Canada had an 85.5 rating, the United States followed with 84.4, and Japan scored 83.5.

"Many would have expected the Anglo-Saxon economies to score higher," said David Morrison, a World Economic Forum staffer who

helped coordinate the study.

While the United States scored well in areas such as economic growth, education and technology, it scored poorly in three areas — pollution, health-care costs and crime.

Mr. Morrison described the report as "a first cut aimed at stimulating debate." He said there were "a lot of subjective criteria" on the list but said that by the summer, "we will have a new and improved version."

Others who helped coordinate the study were Hubert Joly, president of Electronic Data Systems Corp. in France; Fields Wicker-Munir, a vice president at the consulting firm A.T. Kearney in Britain; and Ulrich Schmauder, chief executive of the semiconductor division of Siemens AG of Germany.

## 2 Big Firms Gain Edge in Italy Phones

Compiled by Our Staff From Dispatches

MILAN — Olivetti SpA and Mammesmann AG said Tuesday that their sweetened bid for Cellular Communications International Inc. had succeeded, giving them a tighter grip on Italy's booming mobile-phone market.

Olivetti and Mammesmann, the second-largest phone companies in Italy and Germany, said they had obtained 55.4 percent of CCI, a U.S. company whose sole asset is a 10.3 percent stake in Omnitel Pronto Italia, Italy's third-ranking mobile-phone operator.

This requires CCI's remaining holders to sell at the \$80-a-share price the two phone companies paid for the 55.4 percent stake.

Analysts estimate Omnitel's value at between \$20 billion and \$30 billion, compared with the \$17.5 billion valuation implicit in the price Olivetti and Mammesmann paid for CCI.

Olivetti and Mammesmann were eager to clinch the friendly takeover in the rapidly consolidating mobile-phone sector, which last month saw Vodafone PLC snap up AirTouch Communications Inc. of the United States.

The Italian and German companies, which already control Omnitel, wanted to take over CCI because they wanted to increase their profit from the cellular network. They raised their offer last month after CCI investors rejected a bid of \$65.75 a share to too low.

Olivetti's shares closed in Milan at 340 euros (\$385), up 0.02. Mammesmann's shares finished in Frankfurt at 131.20 euros, up 1.70.

(Reuters, Bloomberg, Bridge News)

## Pilots' Stake In Air France

Bloomberg News

PARIS — Air France said Tuesday its pilots would own between 6.3 percent and 7.4 percent of Europe's third-largest airline after the government sold a minority stake in the company this month.

Some 78.8 percent of the pilots agreed to take a pay cut in exchange for equity stakes, the company said. It said the concession would save the airline 250 million francs (\$43.1 million) in the first year and an average of 235 million francs a year after that. The pact is expected to shield the airline from strikes for at least three years.

The government plans to sell one-fifth of the carrier in the initial public offering this month in addition to shares it will sell to employees.

## Recession in Asia Creates a Loss at KLM

Traffic Fell in 3d Period as Rivals Quit the Pacific and Jammed Atlantic Routes

Compiled by Our Staff From Dispatches

AMSTELVEEN, Netherlands — KLM Royal Dutch Airlines NV posted a loss for its third quarter Tuesday of 29 million guilders (\$14.9 million) and said it was a sign of the battle with recession in Asia.

The loss reversed a profit of 46 million guilders a year earlier. Sales fell to 3.14 billion guilders from 3.23 billion guilders.

KLM said its North Atlantic services had suffered because many other airlines had switched their flights from Southeast Asian routes to the North Atlantic as a result of the economic troubles in Asia.

The company said performance in mainland Europe was "relatively strong," citing improved labor productivity and cost controls.

KLM did not give details about how its cost-cutting program was progressing.

KLM relies more on long-distance routes and cargo operations than do rivals such as Lufthansa AG, whose profit is helped by a strong domestic market.

The carrier said its load factor, or percentage of seat and cargo capacity filled, fell 2.4 percentage points to 75.1 percent in the three months that ended Dec. 31.

Cargo traffic fell 2 percent in the quarter. KLM, which generates about 15 percent of its sales from cargo, said recent reports had been "more positive," as cargo traffic rose 1 percent in December.

KLM generates 40 percent of cargo traffic in Asia and 28 percent

on North Atlantic routes.

KLM said "global economies remained weak" in the third quarter but did not discuss what this would mean for KLM's prospects after the end of its current financial year.

"The outlook is still difficult for KLM; cargo is still depressed," said Dick de Haan, an analyst at Gestion NV in Amsterdam.

KLM said its results also had been hurt by a six-week strike at Northwest Airlines, its U.S. partner.

The airline also announced that European Union antitrust investigators had extended an investigation into its planned acquisition of a majority stake in the Dutch charter carrier Martinair Holland NV.

(Bloomberg, AP)

## WORLD STOCK MARKETS

Tuesday, Feb. 2

Prices in local currencies  
in euros for ECU countries.

Telecom

High Low Close Prev.

Amsterdam

AEX index: 329.29

Previous: 328.81

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High Low Close Prev.

Kuala Lumpur

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Previous: 579.55

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ANNOUNCEMENT OF EXTENSION OF DEADLINE FOR PURCHASE OF PREQUALIFICATION DOCUMENTS FOR AN INTERNATIONAL TENDER FOR THE ERECTION OF A WATER FILTRATION AND TREATMENT FACILITY

Mekorot Water Co. Ltd., a government owned company hereinafter "Mekorot" hereby announces that pursuant to the invitation for Prequalification of an international tender for the erection of a water filtration and treatment facility advertised on January 6/1999 and pursuant to applications from potential interested parties requesting an extension of the period for purchasing the Prequalification Documents, Mekorot has decided to allow purchase of the Prequalification Documents during the period beginning February 1st 1999 and ending February 7th 1999.

It is clarified that this extension does not alter any of the other deadlines determined in the Invitation and in the Prequalification Documents.

The Prequalification Documents may be purchased in the amount of NIS 4,000 (+VAT) from

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Development Department Hall 7th Floor, Tel Aviv - Israel 61021

Telephone: 972-3-6230772 (Mr. Bar-Levav) - Facsimile: 972-3-6230598

between 08:00 and 14:00 hours on regular working days, from the date of advertisement up to February 7th 1999, inclusive. Applications shall take note that requests for clarifications of the Prequalification Documents will be accepted by Mekorot only up to February 15th 1999, and that all deadline dates in the Prequalification Documents run from January 6th 1999.

At the time of purchasing the Prequalification Documents, the name, address, telephone and facsimile number of the Applicant as well as the name of the person in Mekorot to contact must be provided.

All applications for prequalification must be completed in English and be submitted to the above address no later than noon 11:00 Israel local time on April 8th 1999.

Special Tender Committee of the Filtration and Treatment Facility for the National Water Carrier

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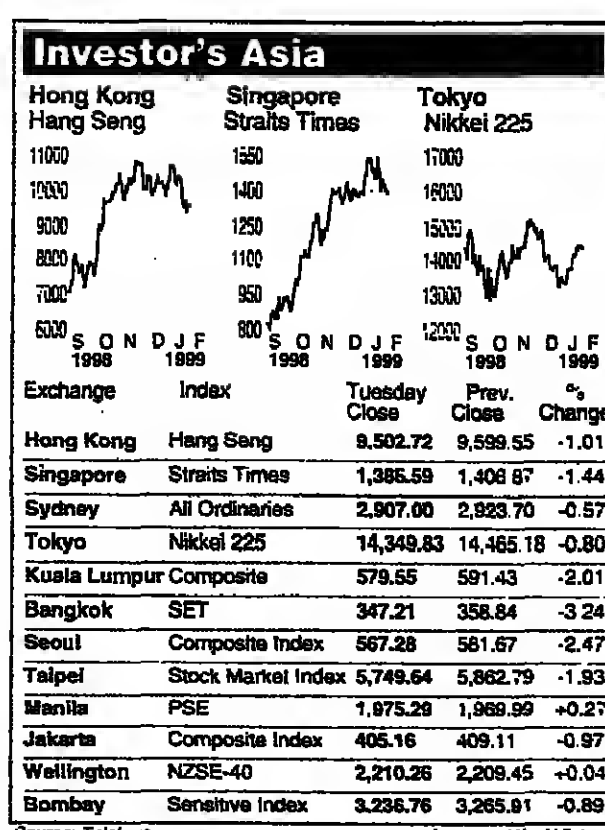




## ASIA/PACIFIC

## China Unveils Overhaul of Trust Firms

**SHANGHAI** — China rolled out plans Tuesday for overhauling its 240 trust and investment corporations, announcing that five more of the troubled financial institutions would be closed by the end of the month.



## U.S. Takes Rift With Seoul to WTO

**By Don Kirk**  
*International Herald Tribune*

**SEOUL —** The United States filed a complaint Tuesday against South Korea with the World Trade Organization for trying to hold down U.S. beef imports.

Robert Fisher, deputy U.S. trade representative, said the United States was asking the organization for arbitration on "unfair" trading practices that have been exacerbated by a steep decline in imports as a result of South Korea's prolonged economic crisis. South Korea's trade surplus with the United States

## Boeing Rejects PAL's Restructuring Plan

**MANILA** — Boeing Co. has opposed the rehabilitation plan for Philippine Airlines Inc., calling it defective for sidestepping its own claim as an unsecured creditor, according to documents obtained Tuesday.

Boeing said it had claims for damages for what it said was a breach of an agreement by PAL to

last year was \$2.5 billion.

Mr. Fisher called on Seoul to live up to earlier pledges for importing more beef and slashing the current tariff of 42.3 percent.

The United States alleges that the government, by subsidizing South Korea's meat producers and discriminating against foreign products, caused a 47 percent reduction in beef imports last year.

While Mr. Fisher was informing South Koreans of the U.S. decision to go to the WTO on beef, Finance Minister Lee Kyu Sung, predicted that the South Korean economy would grow 2 percent this year.

Mr. Lee characterized the forecast as "a conservative position" that was below the Bank of Korea's forecast of 3.2 percent growth in the economy.

"Recovery could occur more quickly than expected," he said, citing analyses that showed the nation "on the upswing."

Mr. Lee's estimate jibed with the conclusion of a team from the International Monetary Fund, which is concluding a quarterly review here.

"Things are better than we thought," said Bijan Aghehvi, leading the team as deputy director of the IMF's Asia and Pacific department.

## Boeing's PAL's Restr

## Manufacturing Plan

### Very briefly:

- Iran is seeking to delay payments on \$118 million owed to 16 South Korean companies, including units of the country's top five conglomerates, for imports purchased in 1993, cutting down on oil revenues, South Korean trade officials said.
- Indonesia's inflation rate doubled to 2.97 percent in January from the previous month, said Tanri Abeng, the minister of state enterprises.
- Indonesian authorities plan to form a commodity exchange in August that is expected to become operational by the end of the year or early next year, Industry and Trade Minister Rahardi Ramealan said. Coffee and palm oil would be the first commodities traded.
- The Philippines' industrial output fell 24.4 percent in November from a year earlier, and the value of production fell 18.1 percent, the National Statistics Office said. The agency said the drop had been due mainly to reduced output in petroleum products, food manufacturing, electrical machinery, and transportation equipment.
- Bank of Taiwan, the island's largest commercial bank, cut its prime lending rate to large corporate customers to 7.25 percent from 7.25 percent in response to an interest-rate cut Monday by the central bank.
- Kuala Lumpur's stock exchange reprimanded four publicly traded companies and fined three of them for breaching its rules, including late publishing of annual reports.

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**WORLD ROUNDUP**

**Taylor Stands Down**

**CRICKET** Mark Taylor, the Australian captain, announced his retirement from international cricket on Tuesday, saying his heart was no longer in the game.

"I know that today I've made the right decision," Taylor said. "I am starting to lose the edge to compete, particularly on the international stage."

Taylor, 34, said he wanted to spend more time with his family but would like to stay involved in the game, either as a television commentator or an administrator.

(Reuters)

**Carling Is Coming Back**

**RUGBY** Will Carling, the former England captain, said Tuesday that he was coming out of a 13-month retirement to play for Harlequins.

Carling, 33, quit Harlequins in January of last year after a dispute with the coach, Andy Keast, who has since been dismissed.

(AP)

**Payton Needs Transplant**

**FOOTBALL** The former Chicago Bear star Walter Payton has a rare liver disease and needs a transplant.

His doctor said Tuesday in Chicago that Payton was being placed on a list to receive a liver transplant. The cause of the disease — primary sclerosing cholangitis — is not known, but is not related to alcohol, steroids, hepatitis or any kind of immunodeficiency disease, Dr. Joseph Lagattuta said.

(AP)

**Padres Trade 50 Homers**

**BASEBALL** San Diego's Greg Vaughn, who hit 50 homers last year, was traded to the Cincinnati Reds in a five-player deal Tuesday that sent Reggie Sanders to the Padres.

(AP)

**Goalie Makes His Case**

**HOCKEY** With all the great goaltending in the NHL, it may be hard to pick out a Vezina Trophy winner this season. Now Ottawa's Ron Tugnutt has joined the race. With the help of another fine defensive performance by his teammates, Tugnutt backstopped the surging Senators to a 4-0 victory over the Vancouver Canucks on Monday night. Tugnutt only had to make 14 saves as he lowered his NHL-leading goals-against average to 1.58.

Elsewhere, it was Philadelphia 4, Los Angeles 2; New Jersey 2, Detroit 2; Washington 3, New York Rangers 1; Dallas 2, Calgary 2; St. Louis 4, Edmonton 3, in overtime; and San Jose 5, Chicago 1.

(AP)

**Player of Year: Zidane**

**SOCCER** Zinedine Zidane has won the 1998 FIFA Player of the Year award. France's World Cup-winning hero received 518 votes to 164 for Ronaldo of Brazil. Croatia's Davor Suker was third with 108.

(AP)

**IOC Credibility Faulted  
As Drug Summit Opens**  
*Ability to Lead Anti-Doping Effort Doubtful*

By Paul Montgomery  
New York Times Service

LAUSANNE, Switzerland — Governments of some of the leading sports nations, including the United States and most of the European Union, asserted Tuesday that the credibility of the International Olympic Committee had been too seriously damaged to allow it the lead role in the international campaign against sports doping.

"The British government expects the IOC to clean up its act," said Tony Banks, the British minister of sport.

The head of the American delegation at the international anti-doping congress here, General Barry McCaffrey, the White House drug policy director, said in a statement distributed to all 650 registrants that because of recent bribery scandals the IOC was in danger of losing its moral force.

"Let me say respectfully that the IOC has lost its moral force," he said. "These events have tarnished the credibility of the movement."

The president of the IOC, Juan Antonio Samaranch, 78, who is presiding at the sessions here, listened expressionless to the succession of barely polite criticisms of his tenure since 1980 as head of the Olympic movement.

Mr. Samaranch, who uses his Spanish aristocratic title Marquis de Samaranch in official pronouncements, only displayed a hint of emotion when the IOC members whom he had personally pushed through to election gave fulsome praise to his leadership.

The anti-doping congress, called last fall after a summer of scandal at the Tour de France and elsewhere, was originally meant to reassert the priority of the IOC in matters of international sport.

Then, in December, came revelations of bribery and other questionable conduct in allocating the Olympics to bidding cities. So far, four of the then 115 members have resigned, and five others have been suspended pending expulsion by the full IOC meeting here next month. In addition, an undetermined number of members are still under investigation.

The aim of the anti-doping conference is to establish an international agency to control the corrosive problem, to standardize prohibited substances and penalties in the various sports, and to create an alternative for young athletes who might believe that performance-enhancing drugs are the way to competition at the highest levels.

As late as last Sunday, Mr. Samaranch said that he should oversee the international agency, and that his associate, the Belgian aristocrat Prince Alexandre de Merode, should be in charge.

The anti-doping effort, headed by the prince since its inception 30 years ago, is generally considered ineffective in the light of previous scandals and last summer's revelations. Critics say that the Olympics have concealed evidence of drug use by athletes to maintain the immensely lucrative commercial viability of the Games. In all, 49 presentations about doping were presented at

the congress on Tuesday. It was one of the rare times in the 105-year history of the Olympic movement that governments have had input into the internal workings of the IOC.

The first presentation, by the German sports minister, Otto Schily, set the tone. Mr. Schily, who presides over sports matters during the current six-month German presidency of the European Union, urged immediate reform of the IOC, with introduction of nonsecret voting, open financial accounts and democratic election of members.

The EU sports ministers are to meet in Bonn in May, with IOC reform very much on the agenda.

Earlier, in an interview on German television, Schily called the IOC "a kind of constitutional monarchy of sport" and said of Samaranch, "Everyone must know when it's time to go."

General McCaffrey said that an independent drug agency would have to work "365 days of the year" and not just at competitions, and must be free to choose which athletes to test and where.

He also repeated a proposal to preserve urine and blood samples from winning athletes so that even years later, when new tests for currently undetectable drugs are found, the samples could be retested and the athletes stripped of their medals if found positive.

Frank Shorter, the American gold-medal winner in the marathon at the 1972 Olympics and silver-medal winner in 1976, said he had been greatly encouraged by the determination shown at the conference here to root out drug use.

He said athletes who were "clean" often had the perception that the Olympic movement regarded drug testing as a public relations exercise rather than a real effort to find cheaters. He said he hoped creation of a truly independent international anti-doping agency would remove temptation from young athletes.

Shorter said that he had a 19-year-old son who was considering a career in distance running. "I don't want him to have to decide between drugs and not," he said. "As an athlete, I was waiting 22 years for something like this meeting to happen, and today it finally did."

**Sydney Is Cleared**

The IOC cleared Sydney on Tuesday of any wrongdoing in connection with financial inducements offered on the eve of Sydney's selection as host of the 2000 Summer Games. The Associated Press reported from Lausanne, Jacques Rogge, an IOC executive board member, reviewed the documents of Sydney's bid and said, "No cash money was given, no under the table payment."

**A Tour de France Rider Hails Crackdown on Doping**

By Samuel Abt  
International Herald Tribune

PARIS — Wearing the yellow jersey of the overall leader, Chris Boardman crashed out of the Tour de France last summer during just the second of 21 stages and was recuperating at his home in England while the bicycle race was being nearly scuttled by a drug scandal, police raids and rider protests. From where Boardman sat, the view was grim.

"I thought it was heavy-handed," he said of the crackdown by police and court officials. "Some of this information had been in police possession for months and they chose to use it during the Tour de France," he continued in a recent interview. "I thought it was political, using the Tour de France as a tool."

Boardman was voicing a standard rider response to events that included the expulsion of the Festina team for systematic use of illicit performance-enhancing drugs, the questioning of a half-dozen other teams, two slowdowns by the riders and the eventual withdrawal of five teams.

What Boardman, 30, leader of the Credit Agricole team and the holder of the hour record ride against the clock, said next, though, was singular.

"Perhaps it was necessary. Now I'm starting to think maybe there is no other way to do it. You have to risk killing the patient for the cure."

"My feeling is that there's a very real possibility that the face of cycling will have been dramatically changed," the Briton added. "I think it will take two years, but I suspect that in the next couple of months, as racing gets under way, it will be quite a changed picture. If that's the case, great."

As the International Olympic Committee sponsors a three-day conference in Switzerland on doping in sports, the thoughtful and articulate Boardman may be speaking for only a handful of riders; he is known, as is his Credit Agricole team, which was formerly sponsored by Gan, for his strong opposition to drugs. More hopefully, his words may represent a general change in riders' attitudes.

"Whichever it is, he said he welcomed strong steps to clean up his sport."

"The drug thing in total has been a very disappointing period," he said. "But we now have the most stringent anti-drug program of possibly any sport in the world. We have four medical tests a year to build up a rider's medical profile. All teams. If you want a license to race, you must adhere to these rules."

These tests are designed to discover swings in a rider's hematocrit level — the percentage of red cells in his blood — which, when it surpasses 30 percent,



The IOC president, Juan Antonio Samaranch, making his opening address on Tuesday in Lausanne.

**Sword Missing? Maybe IOC Fell on It**

By Kevin Sullivan  
Washington Post Service

TOKYO — So where's the sword? A missing Japanese samurai sword, hand-made by one of Japan's most revered craftsmen and valued at as much as \$20,000, is the latest twist in the scandal enveloping the International Olympic Committee and its embattled president, Juan Antonio Samaranch.

Two Japanese Olympic officials say they personally saw Samaranch accept the prized sword in a Nagano hotel room in May 1991, one month before the IOC awarded Nagano the 1998 Winter Games. But Samaranch, according to IOC officials, has "no recollection at all" of receiving the sword.

The IOC says it has "absolutely no record" of any such gift to Samaranch and says that despite "thorough" reviews — last week and again Tuesday — they have found no sword in the Olympic museum in Lausanne, Switzerland, or in any of the other places where official gifts are stored.

"I don't know — maybe the sword is somewhere in the Indian Ocean," said Soichiro Yoshida, a key figure on the Nagano Olympic bidding committee. "Maybe it disappeared here. It's a mystery."

The sword has become a frustrating mystery in Japan, where the corruption scandal centering on the awarding of the 2002 winter Games to Salt Lake City, Utah, has prompted Japanese officials to investigate whether Nagano officials improperly used lavish gifts and entertainment to buy the votes of IOC members.

Nagano officials have said they turned the bid committee's records as a "courtesy" to IOC members to whom they had played host.

The sword clearly has become an irritation to Samaranch and the IOC as it struggles to contain the Salt Lake City scandal, which has spread suspicion and allegations to other Olympic cities.

"We have a big painting, two small paintings and lots of knives, but no swords," an IOC spokesman, Franklin Servan-Schreiber, said Tuesday after checking the records a second time and consulting again with Samaranch. "We asked the president himself, the chief of staff, the director of marketing, all of whom were on that trip, and there is no recollection of a sword."

The IOC has issued a written statement detailing what it described as false reports about the sword. Referring to a recent news conference at which Nagano's governor, Goro Yoshimura, alleged that Samaranch had accepted the sword, the IOC denied the allegation, "with due respect to the governor of Nagano."

But in an interview Tuesday, a second Nagano bidding committee official backed up Yoshimura's account, saying he was also in Samaranch's hotel room when he received the sword.

"It is absolutely true that we presented a sword to Mr. Samaranch, but what happened afterward we don't know," said Fumio Watanabe, a Nagano government official who was the bidding committee's official in charge of transportation for visiting dignitaries.

Watanabe said the sword had been

presented to Samaranch in his room at the Tokura Town Inn. He said Samaranch had just arrived and was relaxing in his room when Tsuguhira Takahashi, one of Japan's leading sword makers, arrived and gave him an 11-inch sword he had made specially for Samaranch.

Watanabe said Takahashi handed Samaranch the sword and gave him a brief explanation about it. Watanabe said he and Yoshimura were present, as well as two or three other people whose names he could not remember.

Takahashi died in August 1996. Samaranch has steadfastly defended his acceptance of gifts from officials in cities bidding to host the Games. He argues that he is not subject to the IOC's ban on accepting gifts valued at more than \$150 because he does not vote on where the Games will be held. He says gifts he receives become property of the IOC and that many of them are displayed in the Olympic museum.

The mystery sword is a special curiosity in Japan because this nation has some of the toughest laws in the world on registration of all kinds of weapons. The idea that such a valuable sword could disappear is baffling to people here. Yoshimura said the sword presented to Samaranch was registered in the name of Yoshida, the Nagano bidding committee official. Yoshimura said Yoshida's name had been used as a "convenience," without Yoshida's knowledge.

"I was so shocked," Yoshida said in an interview Tuesday, adding that he knew nothing about a sword being presented to Samaranch.

health. Obviously it's bad for the sport, but first I'm concerned about your health.

"I know it's hard for you," Legay continued in his rider's account. "But they will have their comeback. At some point, a couple of days, weeks, months, it may even be years, it will explode."

"That," Boardman concluded, "has now basically happened."



**VICTORY** — Franck Vandenbroucke of Belgium winning the first race of the road cycling season Tuesday in Gardanne, France.

**CROSSWORD**

**ACROSS**

- 1 Open-mouthed
- 6 Jacket part
- 10 Dan
- 14 Allied
- 15 + or -
- 16 Riding the waves
- 17 Coin of Stockholm
- 18 — impasse
- 19 Hunting target
- 20 Part 1 of a quip by the writer named in the circled letters
- 23 Barn
- 24 No longer secret

**DOWN**

- 2 1950's White House name
- 27 "Jeopardy!" host
- 30 Place to view a Goya
- 31 Is responsible for
- 32 Midmorning
- 33 Part 2 of the quip
- 41 "Alice" waitress
- 42 First in a line of cars
- 43 Sprites
- 44 Bordering
- 46 Actress Dianne
- 51 Balm ingredient
- 54 "The ramblers..."

**Solution to Puzzle of Feb. 2**

SCAM RATED AFRO  
NORM EVOKE PLEA  
OKEEFFE MEABREAK  
RIN LURED LOADS  
TEABAGS HOM  
LIKE THOUSAND  
ADAT SHOOS LAY  
HALBOF MONTESUMA  
ACT NOOSE AMEN  
SHORTAGE WAN  
OIL BRIEFED  
SCAM BRAID OVA  
QUEBURAISURAT  
FEAT RIGHT SADE  
TSPS NOSES EYED

**DOWN**

- 3 End of the quip
- 39 All there
- 40 In older times
- 41 River through Switzerland
- 42 Adenauer nickname, with "Der"
- 43 Film director
- 44 Put into the ground
- 45 Grab, slangily
- 46 Former spouses
- 47 Gadabouts

**DOWN**

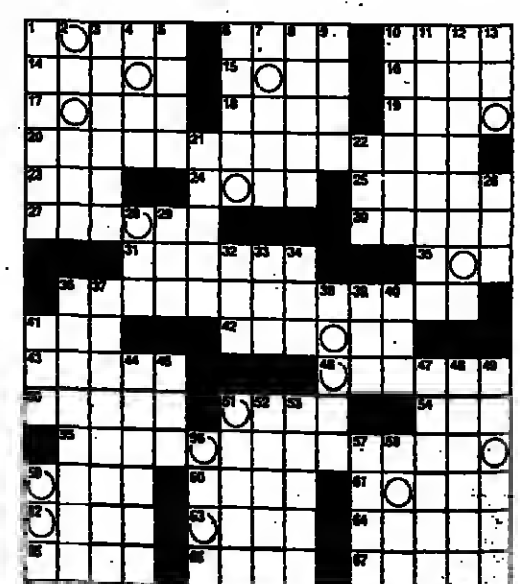
- 1 Obliquely
- 2 Steel beam
- 3 Across Ramée
- 4 Former
- 5 Transportation Secretary Federico
- 6 Dutch cheese
- 7 "Star Trek" setting
- 8 Dame
- 9 Actor Delon
- 10 Daytona 500 organization
- 11 Body shop figure
- 12 Shores
- 13 Cry before "You're It"

**ACROSS**

- 21 Crookedly
- 22 Mischief-maker
- 23 Centuries and centuries
- 24 Troop grp.
- 25 Poetic contraction
- 26 Library sound
- 27 Italy's bottom
- 28 Ending with pay
- 29 Generally
- 30 Approach, as the next item of business
- 31 Fish-eating eagles
- 32 Enzyme suffix
- 33 Bother
- 34 Small number
- 35 Respect
- 36 Actor Erlyn
- 37 This evenin'
- 38 High schooler
- 39 They may be marching
- 40 Not the main building
- 41 One of the Amazons
- 42 Humdingers
- 43 T. — Price of finance
- 44 Math course
- 45 "Oopsl"
- 46 Wane

**DOWN**

- 1 Obliquely
- 2 Steel beam
- 3 Across Ramée
- 4 Former
- 5 Transportation Secretary Federico
- 6 Dutch cheese
- 7 "Star Trek" setting
- 8 Dame
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## SPORTS

## Wave of Outrage Sweeps Away English Coach

International Herald Tribune

LONDON — Somewhere in the world of soccer, with 203 practicing nations, there is likely to be a coaching termination a day. On Tuesday, simply there were two. One came swiftly and straightforwardly; the other was tortuous and unprecedented.

The first can be dismissed as summarily as it happened. David Platt, an Englishman bizarrely appointed coach to Sampdoria of Genoa a handful of games ago, has departed because the team did not win for him and because Italy's coaching brotherhood took up arms against his appointment in December.

Presumably, he walked away with much less than a two-and-a-half-year contract. The misplaced gamble is not his fault. Platt is a good coach, but at age 32 a novice, unqualified coach. He was appointed beyond his depth by Enrico Mattioli, the Sampdoria president, who might himself be too inexperienced to sustain the Serie A status nurtured by his remarkable father, Paolo.

The son's falling short of the father is nothing new; the controversy surrounding the removal of England's national team coach, Glenn Hoddle, was definitely in a category of its own.

Hoddle is the 23rd head coach out of the 32 at last summer's World Cup to have lost his position — but surely the first ever to lose his job because he voiced views about reincarnation in a manner that offended most of England's population.

There is no room to sit on the fence. I am one of those who believe the na-

European Soccer/Rob Hughes

tional coach, the highest public profile in English sport, should have forfeited his job after his reported comment in last Saturday's Times of London. "You and I," Hoddle said, "have been physically given two hands and two legs and half-decent brains. Some people have not been born like that for a reason. The karma is working from another lifetime. I have nothing to hide about that. It is not only people with disabilities. What you sow, you have to reap."

Outrage — and small doses of humor — followed. Tony Blair, the prime minister, said that if the words were accurately reported, Hoddle's position would be untenable. His sports minister, and the minister for the disabled,



Glenn Hoddle in London while his future was being decided Tuesday.

repeated that in Parliament. And David Blunkett, secretary of state for education, said, "Glenn's logic means that I must have been a fairly disastrous football coach in a previous life."

Blunkett is one of a minority who can raise a smile. He is congenitally blind. The rest of England worked itself into apoplexy. Freedom of speech campaigners became outnumbered by those who deem Hoddle to have gratuitously stigmatized the disabled, and shown particularly insensitivity to handicapped children.

Leading an even smaller minority was Eileen Drewery, the one-time public landlady turned faith healer and spiritualist who is Hoddle's mentor and whom he employs to care for the ill of England players. The media, she complained, were "treating him worse than Saddam Hussein."

The imbroglio came at an unfortunate time for the English FA, the mother of all soccer federations. Its chairman and its chief executive resigned recently after attempts to buy a seat on the executive of FIFA, the international governing soccer body. So in London, the FA under temporary management sat in judgment.

This was complicated. The acting chief executive, David Davies, collaborated in a book with Hoddle that exposed secrets within the England World Cup camp. That lucrative indiscretion betrayed the players' trust, and, unsurprisingly, the national team had lost its way since then.

Now, with a prestige international friendly against the world champion France at Wembley a week away, and with two crucial European qualifying contests against Poland and Sweden to follow, the coach again compromised England's goodwill.

Hoddle refused to resign quietly. He swore he never uttered the words stated in The Times, and his agent threatened to sue the newspaper. But the reporter, Matt Dickinson, had verbatim notes of the interview, and Hoddle eventually dropped his claims that he had been misquoted. He was reported Tuesday to have said that his reincarnation views were not inaccurately reported, though he maintained they were "misrepresented."

The FA wrestled through Monday and then Tuesday with the dilemma. As the country waited on their word, opinion polls rolled, soap opera chat shows whirled, and rumor fed rumor. Maybe, the media pack suggested, the FA was waiting for Platt to fly home and replace Hoddle. No, no, said others. As Monday, for which Hoddle once played with distinction, was ready to lure Hoddle back in a second coming, as coach. The French club admitted it still holds Hoddle in high regard, but denied making an offer.

By late Tuesday, decency prevailed. Hoddle and the FA terminated their contract, and another coach was on the market, replaced for one game at least by Howard Wilkinson, an experienced coach and already an FA employee.

Rob Hughes is the chief sports correspondent of The Times of London.

## Arrest Was a Distraction For Game, Falcons Say

By Mike Freeman  
New York Times Service

MIAMI — Some members of the Atlanta Falcons say they were not surprised when their teammate, Eugene Robinson, was arrested on charges of soliciting an undercover police officer for sex in a seedy section of Miami the night before Super Bowl XXXIII. After all, some of them said, other Falcons players had been there several times for the same purpose.

"Guys had been going there all week," one Falcon starter said. "It's just that Eugene was the only one who got caught."

In interviews after the game and on Monday, several Falcon starters spoke about Robinson's arrest and its effect on the team. Although they said they were unsure how many players had gone to the area north of downtown frequented by prostitutes, they estimated it was at least five, some of them starters.

The players said Robinson heard from teammates about the area and the players added, "he wanted to see it for himself." The Miami police said Robinson offered an undercover officer \$40 for oral sex Saturday night. Robinson said he was not guilty of the charge, but he apologized to his teammates and his family, saying he did not "maintain the high standards for myself."

While publicly the Falcons players maintained Robinson's arrest was not a distraction, privately they said differently. Those interviewed said the morning of the game was extremely tense, and all the talk was about Robinson. "Instead of getting mentally ready

for the Broncos," said another player, "we were talking about Eugene. The Broncos beat us, but anyone who says what happened to Eugene was not a factor is lying."

Falcons players said the team did not play its normally sharp game, and that there were numerous blown blocking assignments and botched coverages. The comments were part of an extensive postmortem after Atlanta's 34-19 loss. The Falcons had figured to give the Broncos a much better game.

No one has taken the loss harder than Dan Reeves, who is the third coach in National Football League history to go winless in four Super Bowls. "They don't get any easier," Reeves said. "I think the more you have, if those losses, the more you hurt."



MILE HIGH — A John Elway poster among 650,000 fans at the Super Bowl victory rally in Denver.

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## POSTCARD

## An Artistic Fusion

By Carol Vogel  
New York Times Service

NEW YORK — In an effort to stay as up-to-the-minute as its name, the 70-year-old Museum of Modern Art has reached an agreement to merge with the small, cutting-edge P.S. 1 Center for Contemporary Art in Long Island City, Queens.

The merger is a marriage of resources and innovation. It will give the Modern a far greater involvement with art of the moment, which it has long been accused of slighting in favor of the earlier movements it helped place in the 20th-century canon. It will also give the Manhattan museum a presence in another borough, help it reach a younger audience and give it access to new exhibition space at a time when it will have to shut down parts of its building on West 53d Street during a major expansion.

For P.S. 1, the 28-year-old showcase for contemporary work that has helped attract a number of artists to its neighborhood, the union will provide access to the Modern's vast collection and deep pockets and to marketing resources that will likely bolster its visibility.

"The opportunities are unprecedented," said Glenn Lowry, director of the Modern, adding that the future of his museum "lies in its commitment to contemporary art."

The deal also promises to be a boost for working-class Long Island City, where the Modern is also buying a nearby building for storage, offices and workshops.

The city owns the P.S. 1 building. The Romanesque Revival edifice was a public school, which was closed by the Board of Education in

1976, and the center has been established there for more than 20 years.

Just how much financial support the Modern plans to invest in P.S. 1 is unclear, in part because the details of the merger will be ironed out over the next 60 days. While one trustee estimated that the Modern's direct investment would not be more than about \$100,000 a year, its greater aid will likely come in fundraising help and cross-marketing efforts in which, for example, both museums can be featured in joint mailings.

Alanna Heiss, P.S. 1's founding director, will remain its head, but she will report to Lowry. Heiss will also become a deputy director of the Modern. Meanwhile, Lowry said, several members of the Modern's board will serve on P.S. 1's board. He likened the relationship to one between a university and one of its constituent schools.

Heiss said that concern about her center's long-run prospects following a successful \$8.5 million renovation two years ago led her to think of a merger. "I started worrying about our stability long-term," she said. "We've always been able to borrow works when we need them. But to have access to MOMA's collection and its curatorial expertise is a tremendous resource for us."

The financial support will also be important, she said.

The Modern has an endowment of about \$300 million, a world-class collection of more than 100,000 works of contemporary and modern art and objects, and a reputation for organizing blockbuster exhibitions of legendary artists like Picasso, Bonnard and Pollock.

## Victoria and Albert Museum Polishes Its Profile

By Alan Riding  
New York Times Service

LONDON — The Victoria and Albert Museum has not been a happy house in recent years. It was thrown into disarray in 1988 when eight senior curators were dismissed overnight as part of a management shake-up. It was deluged with bad publicity when it introduced admission charges in 1996. And more recently it has been under attack from traditionalists for backing an adventurous plan to add an ultramodern extension to its late 19th-century red brick building.

The museum's troubles did not end there. After some National Lottery profits were assigned to arts projects in the mid-1990s, the Tate Gallery, the British Museum and the Royal Opera House quickly won financing for expensive expansions and renovations. When it was the Victoria and Albert's turn to seek funds, it was turned down, not only for its avant-garde extension, but also, initially, for the reorganization of its British Galleries. Understandably, it began to seem like the Cinderella of South Kensington.

Last November, the V&A, as it is widely known, finally got a break: The Royal Borough of Kensington and Chelsea unexpectedly authorized construction of the proposed extension, known as the Spiral, that had provoked such a storm of criticism. In one daring decision, approved by eight votes to four and overruling a recommended rejection by planning officers, the council gave a huge boost for modern architecture in London and a much-needed vote of confidence for the museum.

"I think it is a good omen," said Alan Borg, who became the museum's director in 1995 after running the Imperial War Museum. "We benefited from the feeling that it was time Britain did something in architecture. But it was also recognition that we are a dynamic museum, with lots of things that other museums don't have."

Of that, there is no debate. The V&A has the world's largest collection of applied and decorative arts, spanning 2,000 years and embracing ceramics, metalwork, jewelry, furniture and textiles. Its four million art objects, of which only 20 percent can be shown in its 12 acres (3 hectares) and seven miles (11 kilometers) of galleries, also include sculptures, paintings, drawings, prints and photographs. And as home to the National Art Library, it is a respected research center and publisher of art books.

Yet in an era when museums compete more



Alan Borg, director of the Victoria and Albert: "We are a dynamic museum."

with blockbusters than with scholarship, the V&A is bound to struggle for media attention. It regularly puts on original shows of design through the ages, but these cannot compete in glamour — or attendance numbers — with, say, the recent Cézanne and the coming Jackson Pollock retrospectives at the Tate Gallery or the current crowd-pleaser, "Monet in the 20th Century," at the Royal Academy.

"We need to refocus the public perception by showing that this museum is part of the contemporary world," Borg, a 57-year-old art historian, said in an interview. "And we aim to do this more visibly and with a higher profile."

In a sense, the museum began to do so with "Cutting Edge," a 1997 show of avant-garde fashion that drew 230,000 visitors. The museum will also present "Design and the Digital Age" this summer and "brand.new," a show about branding new products, next year. Its main event in 2000 will be "Art Nouveau 1890-1914," a major exhibition on art and design that will travel to the National Gallery of Art in Washington.

Nothing, of course, will identify the V&A more with the 21st century than construction of the Spiral, the "rumbling boxes" extension designed by the American architect Daniel Libeskind (who has just completed the new Jewish Museum in Berlin). But there is a catch: If the V&A is to have any hope of raising the \$110 million needed to build the Spiral from lottery grants and private contributions, it must first polish its image.

Interestingly, it began this "profile building," as Borg puts it, in North America in 1997 with an ambitious exhibition, "Grand Design: The Art of the Victoria and Albert Museum," organized and presented first by the Baltimore Museum of Art. The show has traveled to Boston, Toronto and Houston, and will be seen at the Fine Arts Museums in San Francisco from Feb. 13 to May 9. Its final stop will be the V&A itself, for a three-month display starting Oct. 14.

Beyond presenting a selection of prized objects in a way that illustrates the museum's unusual history, "Grand Design" also seeks to remind visitors that in the 19th century the

V&A served as a role model for many American museums, including those of Baltimore, Boston, and Brooklyn, New York. "The idea was to use the museum as an overtly educational instrument, to teach art and design, to be useful, to do something for the public," Borg said.

In truth, in creating the Museum of Manufactures in 1852, just after the Great Exhibition of 1851, the government saw it principally as a way of raising the standards of British design in the context of the Industrial Revolution.

Its educational role was added by its founding director, Henry Cole, who saw the museum being "elevated from being a mere unintelligible lounge for idlers into an impressive schoolroom for everyone." Reopened the South Kensington Museum, it opened on its present site on the corner of Exhibition Road and Cromwell Road in 1857.

But by May 1899, when Queen Victoria gave the museum its present name in memory of her consort, the V&A had lost its populist touch. Even now, while the V&A has many fervent admirers, a good many Londoners stay away, believing erroneously that it is a museum of Victorian art.

In looking to the future, Borg has therefore sought inspiration in the museum's earliest years. "I think the museum should be trying to lead taste, to show people what is good design from the past and the present," he said. "We should take some risks; we can even say, 'This will be the next big thing.'"

He clearly has plenty on his plate with managing the museum's 800-member staff and an annual budget of about £40 million (\$65 million), promoting its new contemporary image and finding the money for the £30 million renovation of the British Galleries. As a result, many London art experts believe that the Spiral is too ambitious.

Borg, though, is unfazed. He said that the success of the new Guggenheim Museum in Bilbao, Spain, had shown what modern architecture can do for a city. He also noted that according to polls commissioned by the V&A, public attitudes toward the Spiral in London had gone from largely hostile to slightly favorable.

"Just as changing opinion resulted in planning permission, we're not unhelpful that opinion will also swing the lottery institutions," Borg said. "The next 12 months are important because we have momentum, we have support."

## PEOPLE

AMONG the big winners at the TV Guide Awards in Los Angeles were the "X-Files" star David Duchovny and "Buffy the Vampire Slayer." Duchovny was voted favorite actor by TV Guide readers, and was named sexiest and best-dressed male in a separate on-line poll. "Buffy the Vampire Slayer" won in seven of the Internet survey categories, including best science-fiction fantasy show. Its star, Sarah Michelle Gellar, was voted sexiest female. "Frasier" was voted best comedy series, while "ER" won for best drama series. In the on-line poll, the winner for best pet was Joey's duck, Hercules, in the series "Friends."

Johnny Depp was back to his bad-boy ways when he chased off photographers with a piece of wood outside a trendy London restaurant, the police said. They held the actor for almost four hours after the fracas at Mirabelle, where he had dined with the French singer and actress Vanessa Paradis, newspapers reported. "Johnny Depp is a person who

guards his privacy," his publicist said in a statement. "He had asked photographers to abstain from photographing him. Unfortunately, they persisted and intentionally provoked him."

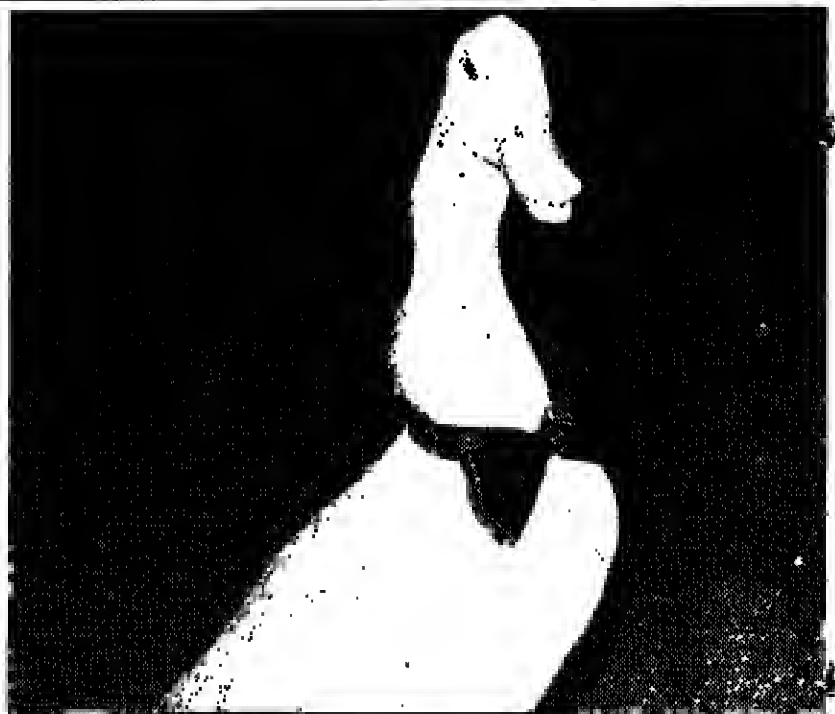
The mezzo-soprano Marilyn Horne and the late composer-educator William Schuman are among 14 people

chosen this year for the American Classical Music Hall of Fame and Museum in Cincinnati. The inductees, who were announced Monday, also include the music division of the Library of Congress. The others are the composers Bela Bartok, Amy Marcy Beach, Charles Tomlinson Griffes, William Grant Still and Edgard Varese; the violinist Jascha Heifetz; the conduct-

ors Max Rudolf and Dimitri Mitropoulos, and the composer-educator George Whitefield Chadwick. They are to be honored April 24.

Goldie Hawn and Samuel L. Jackson are the recipients of Harvard's annual Hasty Pudding awards, given to performers who have made a "lasting and impressive contribution to the world of entertainment." Hawn will lead a parade through the streets of Harvard Square on Feb. 11 with male students dressed in drag. Jackson will be honored Feb. 18, at the opening night performance of the troupe's annual theatrical production.

More than 700 items from the Long Island estate of Madame Chiang Kai-Shek, the 101-year-old widow of the former Chinese leader, Chiang Kai-Shek, were sold at auction in South Norwalk, Connecticut, over the weekend. A pair of French chandeliers sold for \$62,500, and a clock sold for \$65,000.



Hercules, favorite pet, according to an on-line poll for TV Guide.

## Gearing Up for the Berlin Film Festival

Reuters

BERLIN — The true story of a lesbian love affair in Nazi Germany will open the 49th Berlin Film Festival on Feb. 10, its organizers said Tuesday. "Aimee und Jaguar," a German production that tells the story of a housewife and her Jewish journalist lover, is one of 25 films from Europe, Asia and North America that will compete for the festival's Golden Bear award. The American actress Shirley MacLaine will be presented with a lifetime achievement award at a screening of her 1980 feature "Being There," which co-starred Peter Sellers, and the late Austrian director Otto Preminger will be honored in a retrospective. "Shakespeare in Love," "eXistenZ" by David Cronenberg and the World War II drama "The Thin Red Line" are among U.S. productions vying for the top award. France will be represented by "Au Coeur du Meosonge" (At the Heart of the Lie) by Claude Chabrol.



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